

Finance and Resources Committee

3,00pm, Tuesday 4 December 2018

Workforce Dashboard

Item number	7.9
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report provides a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of **September 2018**.

As part of our commitment to ongoing improvement we're reviewing and developing the workforce dashboard suite and reporting, with a view to simplifying and improving the content and format for users. This workforce dashboard report introduces a slightly different format where the narrative comprises the main component of the report and all figures (tables and graphs) referred to are now presented together in **Appendix 3**.

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 September 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;
 - 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; and
 - the number of redeployees and associated costs.

Core Workforce

- 3.2 All Figures referred to are contained in Appendix 3.
- 3.3 Between July and September, our core workforce increased by 332 FTE to 14,581 FTE, and the basic salary pay bill increased by £7.0m to £403.1m. Workforce FTE and pay bill trends are shown in **Figures 1 and 2**.
- 3.4 Fixed Term Contracts (FTCs) increased by 283 FTE and apprentice/trainee contracts increased by 11 FTE. There was an increase in acting up and secondment arrangements (up 66 FTE). The majority of the workforce change is attributable to new contractual arrangements in the Communities and Families

Directorate at the start of the new school term (**Figure 3**). In the period the Teaching FTE increased by 259 FTE and the LGE FTE increased by 73 FTE (**Figure 4**).

- 3.5 Of the increased cost in this period, £6.5m relates to FTCs, £0.53m relates to permanent contracts and £0.14M relates to apprentice/trainee contracts. Despite the increased FTE for employees acting up and on secondment the cost of these arrangements reduced by £0.2m in the period as teaching acting ups/secondments are paid one month in lieu (i.e. these costs should be reflected in the next period's costs).
- 3.6 The cost of organisation new starts was £1.6m and the cost of leavers was £3.8m, yielding a net reduction in payroll expenditure of £2.2m.
- 3.7 The spend on Working Time Payments (WTPs) reduced by £15K, with £11K of the reduction seen in the Resources Directorate. Much of the reduction is linked to the review of Janitorial Services in the Corporate Property and Facilities Management Division; further WTP cost reductions were also observed in the period for sessional cleaners in schools.
- 3.8 **Figure 5** shows longer term Local Government Employee workforce change, between June 2015 and September 2018 (i.e. before and after Transformation).

Flexible Workforce

- 3.9 In the period, the costs for the flexible workforce increased this period and were in the region of £3.3m, with an equivalent FTE of approximately 1,224 FTE (**Figure 6**).
- 3.10 The agency workforce cost the organisation £2.2m in the period (up £0.5m since July 2018). Of the total spend, 96% is attributable to the primary and secondary agency suppliers, whilst 4% relates to off-contract spend. The agency workforce last period was the equivalent of 771 FTE, with an average monthly workforce of 609 FTE (12-month average). The agency cost trend is shown in **Figure 7**.
- 3.11 Analysis of our 2017/18 and 2018/19 agency costs (April to September) is shown in **Figure 8**; this shows that our agency spend in the first 6 months of the 2018/19 financial year is 23% higher than the spend for the same period in 2017/18. Note that month on month agency cost fluctuation can be linked to the nature of the billing process.
- 3.12 The casual/supply workforce spend decreased by £122K to £338K this period. This trend is expected and reflects casual/supply hours worked in the August period (payments one month in lieu) when there is a reduced requirement for casual/supply school based roles during the holiday period. The casual/supply workforce last period was the equivalent of 162 FTE, with an average monthly workforce of 186 FTE (12-month average). The casual/supply cost trend is shown in **Figure 9**.
- 3.13 The spend on overtime/additional hours increased by £36K to £736K this period. A breakdown of the spend by overtime "type" is detailed in **Figure 10**. Around three-quarters of the spend was made at the enhanced overtime rate (74%), 17% was

paid at plain time, and 9% related to call-out hours. The overtime/additional hours worked last period was the equivalent of 290 FTE, with an average monthly workforce of 267 FTE (12-month average, callout hours excluded from FTE reporting). The overtime/additional hours cost trend is shown in **Figure 11**.

Surplus Workforce

- 3.14 The total number of employees on the redeployment register decreased by 3 since the August 2018.

Of the 29 employees currently surplus; none are currently planned leavers, 20 have been temporarily redeployed and 9 are not currently redeployed into a temporary solution but are carrying out meaningful work in their old directorate/division. The funding arrangements for the total surplus FTE is as follows; 16.8 FTE are corporately funded, 6.9 FTE are funded by their directorate/division and 2 FTE are funded externally.

- 3.15 Of those corporately funded; 9.2 FTE are currently redeployed and 7.6 FTE are not currently redeployed. 14.8 FTE of the corporately funded FTE have been on the redeployment register for longer than 12 months, 1.0 FTE for a period of 6-12 months, and 1.0 FTE for less than 6 months.
- 3.16 As at the end of October 2018, 1,011 FTE have left, or agreed to leave, the organisation under VERA/VR arrangements, achieving recurring savings of £38.5m since September 2015.
- 3.17 Employees who are part-funded corporately and by the directorate/division, and employer on-costs for NI and Pension, are included within the figures as appropriate.
- 3.18 Consideration is being given to the sustainability of employees being on the redeployment register for an indefinite period and a review of Council policies in respect of organisational change is underway.

Performance Framework

- 3.19 Looking Ahead 2018/19 conversations for GR1-GR12s on the standard April-March cycle were due at the end of April 2018. At the mid-point of the performance year (October), the final completion rate for this group was 47%. Looking Back conversations for this group are due to take place by the end of April 2019.
- 3.20 The completion rate for Looking Back 2017/18 for GR1-GR4 colleagues on rolling cycles is currently 24%, see **Figure 15**. Groups in scope include Primary and Secondary schools and Health and Social Care Localities, covering approximately 3,000 employees. These conversations were due to take place by 30 September 2018 and the on-time completion rate for this group was 23%. Due to the low completion rate it is recommended that line managers are further encouraged not only to have their conversations but also to record them in the HR system. Looking Ahead 2018/19 conversations for this group are due to take place by the end of October 2018; this completion rate will be included in our next workforce dashboard report.

Absence

- 3.21 The rolling absence rate reduced for the third month in a row, from 5.59% to 5.45% (**Figure 14**) which was driven by an overall reduction in the total working days lost to absence over the 12-month period (1 Oct 17 to 30 Sept 18). All Directorates saw a reduction in their 12-month absence rate (**Figure 15**). The decrease can be attributed to a decrease in both short-term absence and long-term absence. In the same period, the monthly absence rate (reflecting days lost to absence in September 2018) increased from 3.94% (July 2018) to 4.64%.
- 3.22 The rolling absence rate reduction will be monitored to establish whether it is an emerging trend linked to absence prevention and intervention activities.
- 3.23 The total working days lost to absence over the 12-month period (October 17 – September 18) was the equivalent of 775 FTE. Over this period the Council lost on average 11.97 working days to absence per FTE (14.1 days for Local Government Employees and 5.9 days for Teaching employees). For comparison, the average days lost to absence over the 17/18 financial year was 10.72 days per employee (12.34 days for LGEs and 5.67 days for Teaching employees).
- 3.24 Whilst the total number of employees with an open ended long-term absence decreased to 398 in July, this had increased to 468 by September. The greatest increase was seen in the Communities and Families Directorate where there were 71 employees with a new open ended long-term absence. Resources Directorate total also increased by 11 employees. The total number of open ended long-term absences reduced in the Edinburgh Health and Social Care Partnership (11), Place (4) and the Chief Executive (1) Directorates.
- 3.25 As part of ongoing review and improvement for workforce reporting we are refining our existing reporting approach in respect of how we analyse and present Absence data and MI to ensure that this is consistent with the Local Government Benchmarking Framework definitions. This will involve engagement with key stakeholders to achieve reporting that is insightful, adds value and allows us to make year on year comparison.

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 Council 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.

- 4.6 All employees gave a 'looking back' conversation to review their performance over the year and to agree their performance rating.

5. Financial impact

- 5.1 The achievement of agreed £38.5m savings through voluntary redundancy.
5.2 Salary costs for employees on redeployment (particularly those not redeployed).
5.3 Opportunity cost of lost working time due to sickness absence.
5.4 Agency, Overtime/Additional Hours expenditure.

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, whilst supporting the Political Commitment of the Administration to no compulsory redundancies

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 Control Report and Dashboard to Finance and Resources Committee on 11 October 2018.

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11. Appendices

Appendix 1 – Corporate Leadership Team Workforce Dashboard

Appendix 2 – Corporate Leadership Team Workforce Dashboard Glossary

Appendix 3 - Workforce Management information and Trends

APPENDIX 1 - Finance and Resources Committee Workforce Dashboard

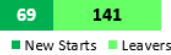
Workforce Dashboard: Finance and Resources Committee

Period: **Sept 18** Issued: **05 Nov '18**

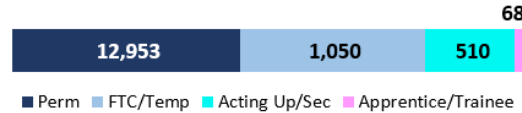
Workforce FTE

FTE Actual: **14,581**
Headcount Actual: **18,279**

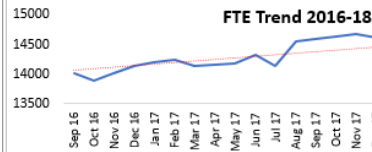
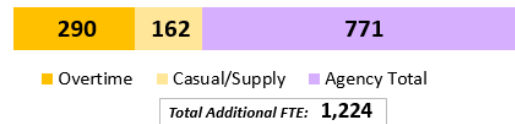
Turnover FTE (Period)



FTE (Period)



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



Pay Bill

Actual (Period): **£33.6M**
Annual (Projected): **£403.1M**

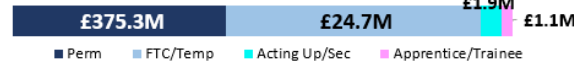
Pay Bill Turnover (Period)



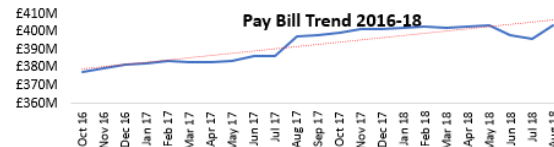
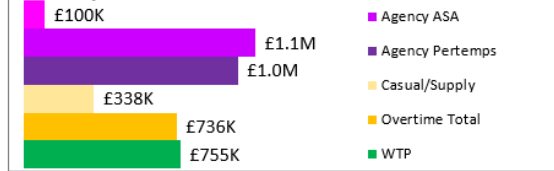
Pay Bill (Period)



Pay Bill (Annual Projected)

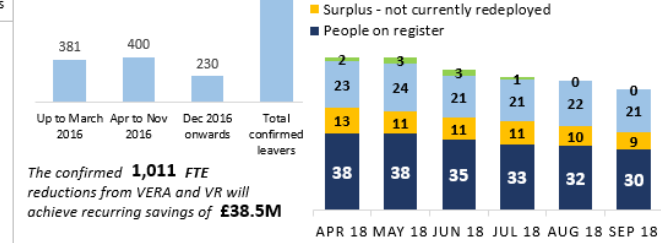


Monthly Costs

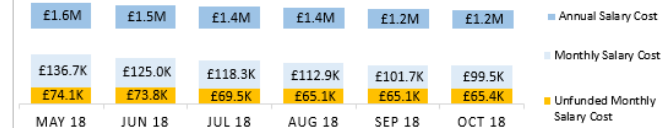


Transformation

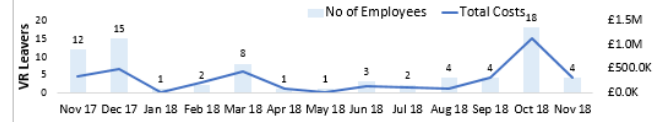
VERA/VR Leaver Reductions (FTE)



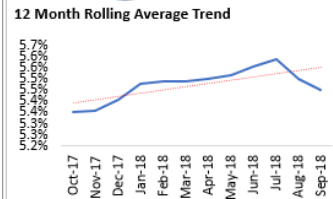
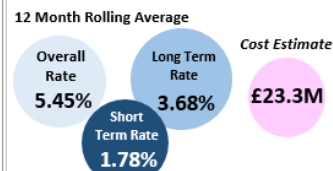
Redeployment - Cost



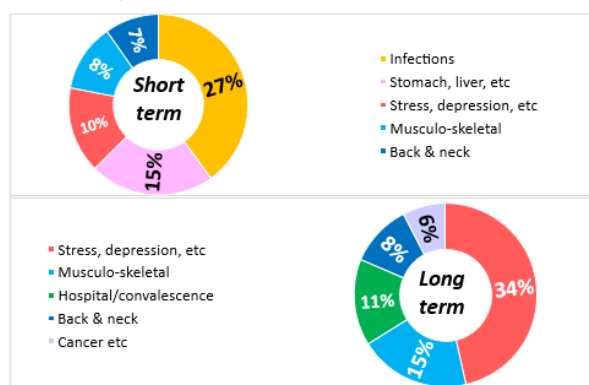
VR Leavers and Monthly Budget Savings



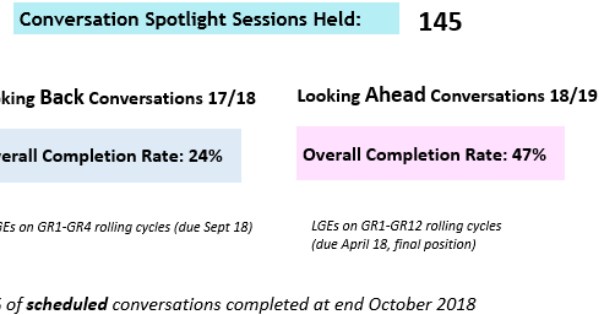
Absence



Absence - Top 5 Reasons



Performance



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 national 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 ending 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.

Redeployment - Cost

Figures reflect the gross cost of employees on redeployment register and include on-costs for NI and pensions.

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.

APPENDIX 3 - Workforce Management Information and Trends

Figure 1: Workforce FTE Trend

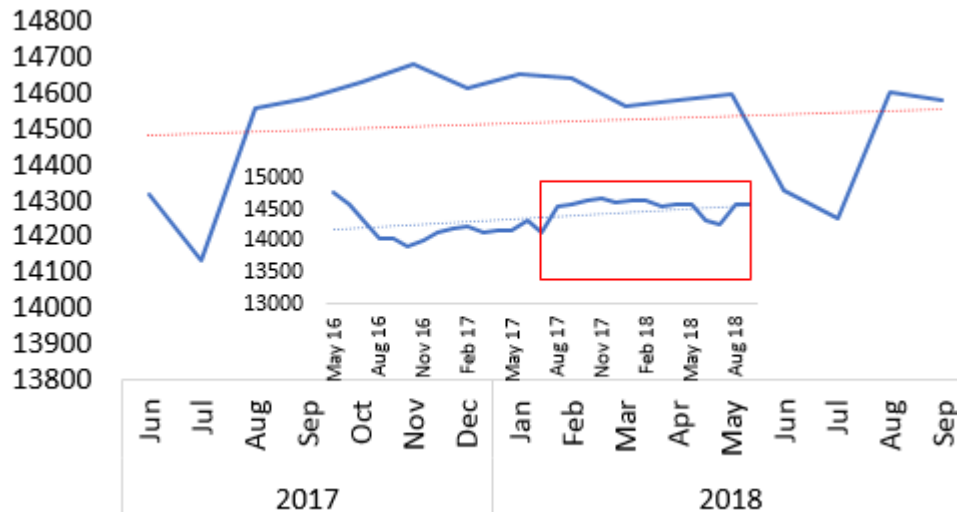


Figure 2: Workforce Pay Bill Trend

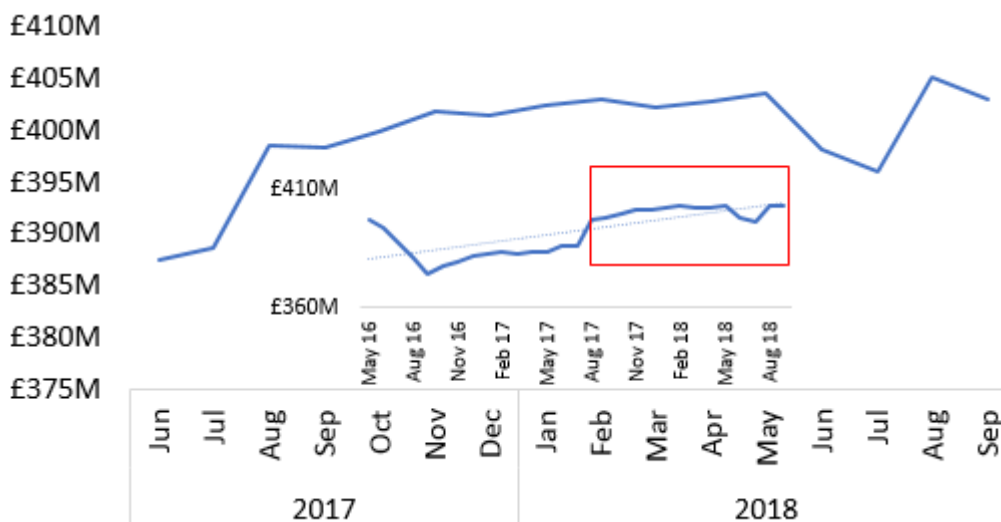


Figure 3: Core Workforce FTE by Directorate

Directorate	July 2018		Sept 2018		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Chief Executive	146	160	145	158	-1.6	-2
C&F	7147	9331	7505	9708	358	377
EH&SCP	2285	2623	2263	2607	-22	-16
Place	2389	2825	2397	2823	8	-2
Resources	2242	2892	2232	2881	-10	-11
Surplus	40	42	40	44	0	2
Council Total	14249	17873	14581	18221	332	348

Figure 4: Core Workforce Groups

Category/ Group	July 2018		Sept 2018		Change in FTE	Change in Headcount
	FTE	Headcount	FTE	Headcount		
Local Government Employee GR1-GR12 including Craft	10719	13491	10792	13564	-22	113
Chief Official	20	20	18	18	0	0
Craft Apprentice	20	20	22	22	0	0
Teaching Total	3490	4342	3749	4617	-1	2
Council Total	14249	17873	14581	18221	-23	115

Figure 5: Local Government Employee Workforce Change June 2015 to September 2018

Category/ Group	Grade	June 2015		June 2017		July 2018		Sept 2018		Change in LGE FTE	Change in LGE Basic Salary Cost
		FTE June 2015	Basic Salary Cost June	June 2017	Basic Pay	FTE July 2018	Basic Salary Cost June	FTE Sept 2018	Basic Salary Cost Sept		
<i>Front Line Staff</i>	GR1	624	£8.1M	638	£8.4M	595	£8.1M	587	£8.0M	-38	-£0.1M
	GR2	244	£3.4M	198	£2.9M	167	£2.5M	164	£2.4M	-81	-£1.0M
	GR3	2374	£38.2M	2124	£34.9M	1930	£32.2M	1999	£33.2M	-375	-£4.9M
	GR4	2479	£45.8M	2567	£48.1M	2567	£49.0M	2570	£48.9M	91	£3.0M
<i>Front Line Manager/ Specialist</i>	GR5	1808	£40.6M	1563	£35.2M	1580	£35.8M	1593	£36.0M	-215	-£4.6M
	GR6	1421	£37.1M	1337	£35.9M	1414	£38.1M	1409	£37.9M	-12	£0.8M
	GR7	1520	£48.0M	1296	£42.1M	1299	£42.4M	1320	£42.8M	-200	-£5.2M
	GR8	776	£29.2M	652	£25.1M	692	£26.5M	675	£25.8M	-101	-£3.4M
<i>Managers</i>	GR9	359	£15.9M	280	£12.9M	283	£13.0M	282	£12.9M	-77	-£3.0M
	GR10	118	£6.3M	123	£6.5M	117	£6.3M	116	£6.2M	-2	-£0.1M
	GR11	47	£3.0M	36	£2.3M	37	£2.4M	37	£2.4M	-9	-£0.5M
	GR12	31	£2.2M	33	£2.4M	38	£2.7M	40	£2.9M	9	£0.7M
Total		11801	£277.8M	10849	£256.8M	10719	£259.0M	10792	£259.4M	-1009	-£18.4M

Context for Changes in FTE

Between 2015 and 2017 various factors have affected the FTE/roles of senior grades including the further deletion of roles and creation of new roles (transformation and organisational review); grade review of existing roles following change (e.g. where a Chief Official vacancy and no FTE assigned to backfill senior vacancies. For example, there are a number of instances whereby a chief official vacancy has been covered on an ongoing temporary basis through job re-design at the GR12 level. At the time of June 2017 reporting there were still a number of vacancies at the GR9-GR12 level. Key GR12 roles in the Place and Communities and Families Directorates that existed in the organisation structure but which were vacant at June 2017 have now been filled on a permanent/temporary basis.

Figure 6: Flexible Workforce

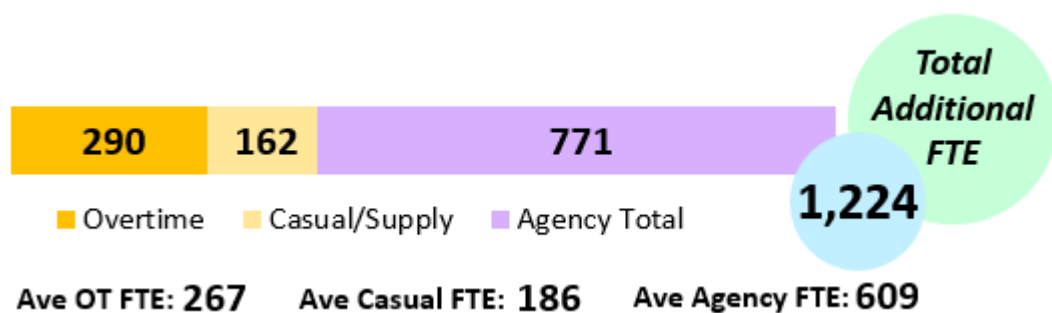


Figure 7: Flexible Workforce - Agency Trend

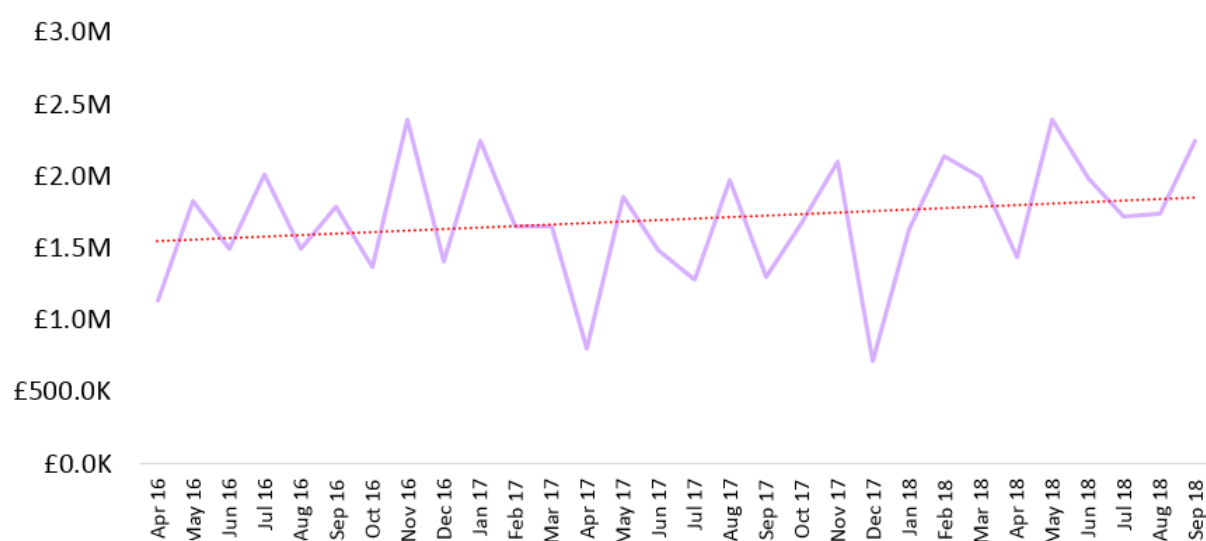


Figure 8: Agency Costs 2017/18 and 2018/19

Month	Financial Year		Comparison	
	17/18	18/19	£ Increase/Decrease	% Increase/Decrease
April	£820,105	£1,427,561	£607,456	74%
May	£1,986,567	£2,370,676	£384,109	19%
June	£1,620,911	£1,982,426	£361,515	22%
July	£1,397,057	£1,720,523	£323,466	23%
August	£2,139,046	£1,741,737	£-397,309	-19%
September	£1,362,910	£2,248,186	£885,276	65%
Total	£9,326,596	£11,491,109	£2,164,513	23%

Figure 9: Flexible Workforce - Casual/Supply Trend

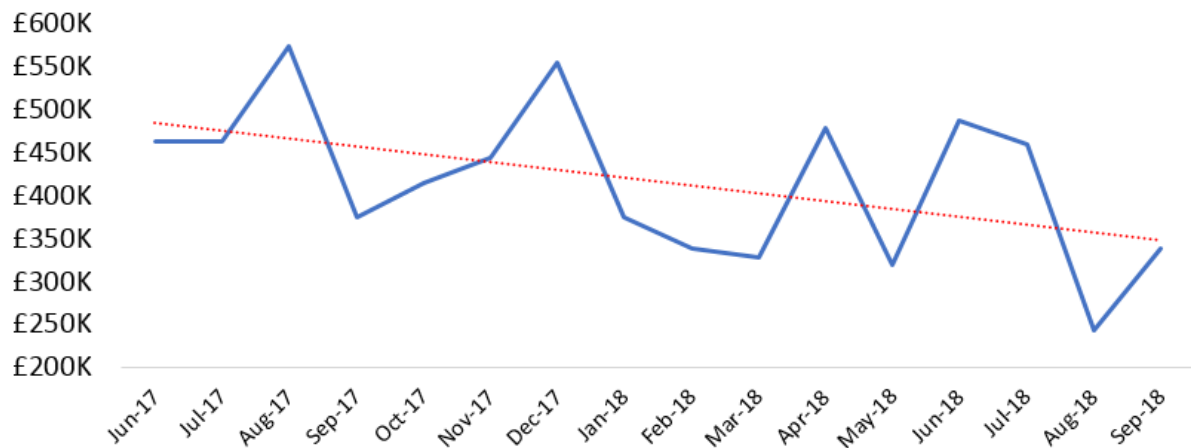


Figure 10: Breakdown of Overtime by Type

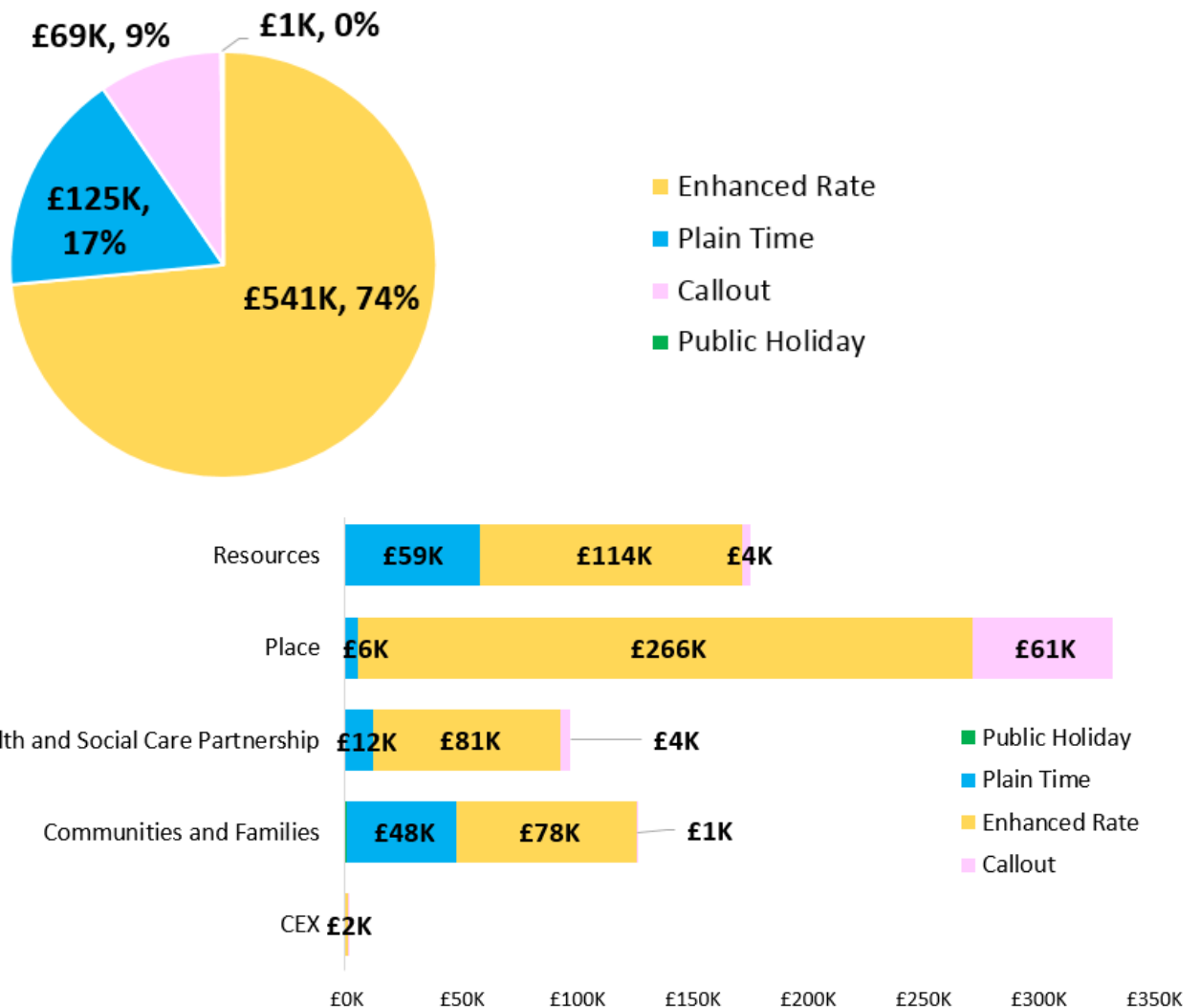


Figure 11: Flexible Workforce - Overtime Trend

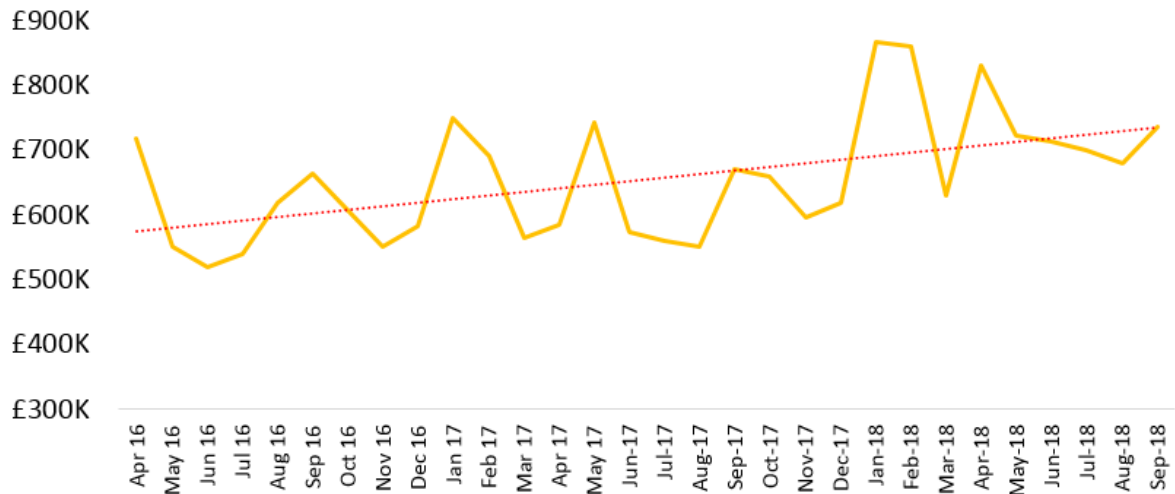


Figure 12: Performance – Looking Back 2017/18 Completion (GR5-GR12 standard cycle)

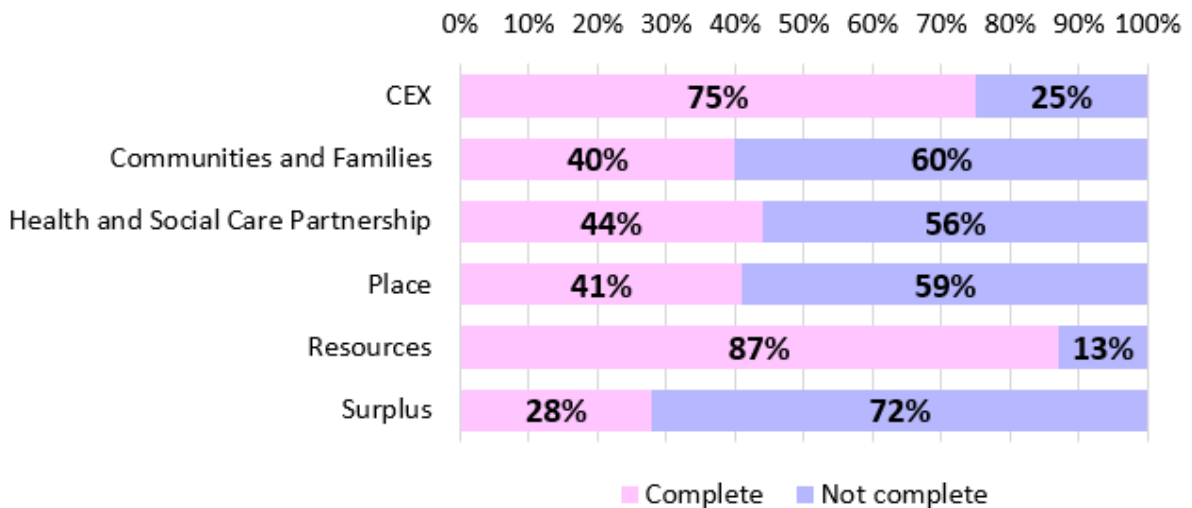


Figure 13: Performance – Looking Back 2017/18 Completion (GR1-GR4 rolling cycles)

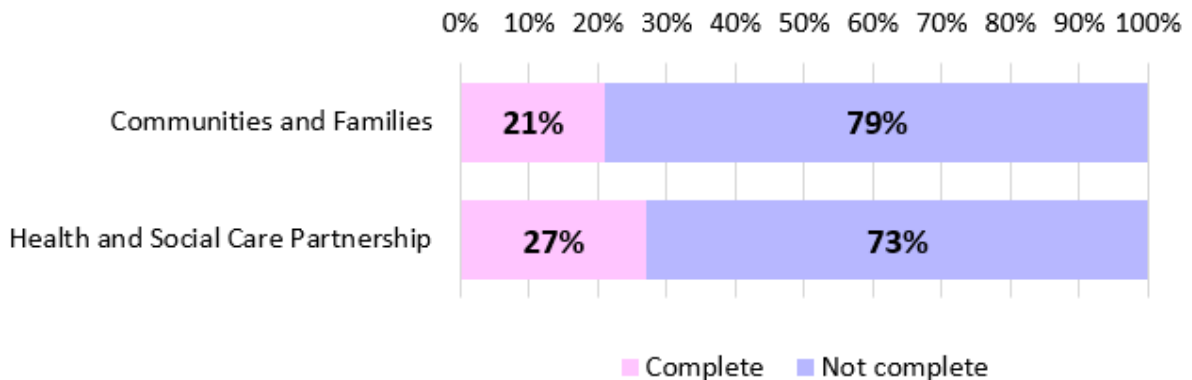


Figure 14: 12 Month Rolling Absence Trend - Council

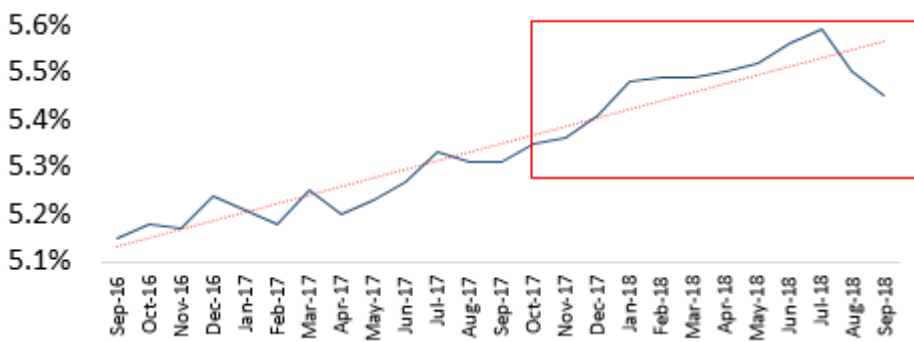
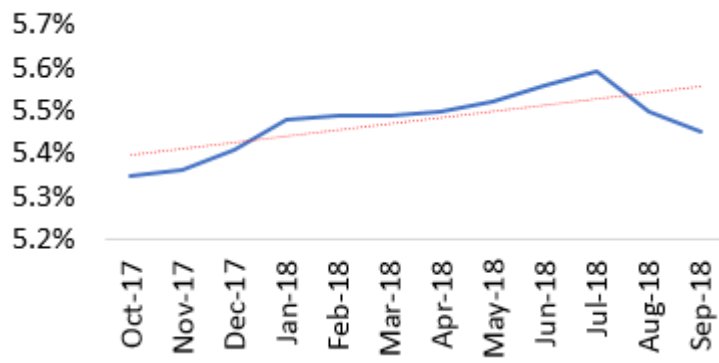
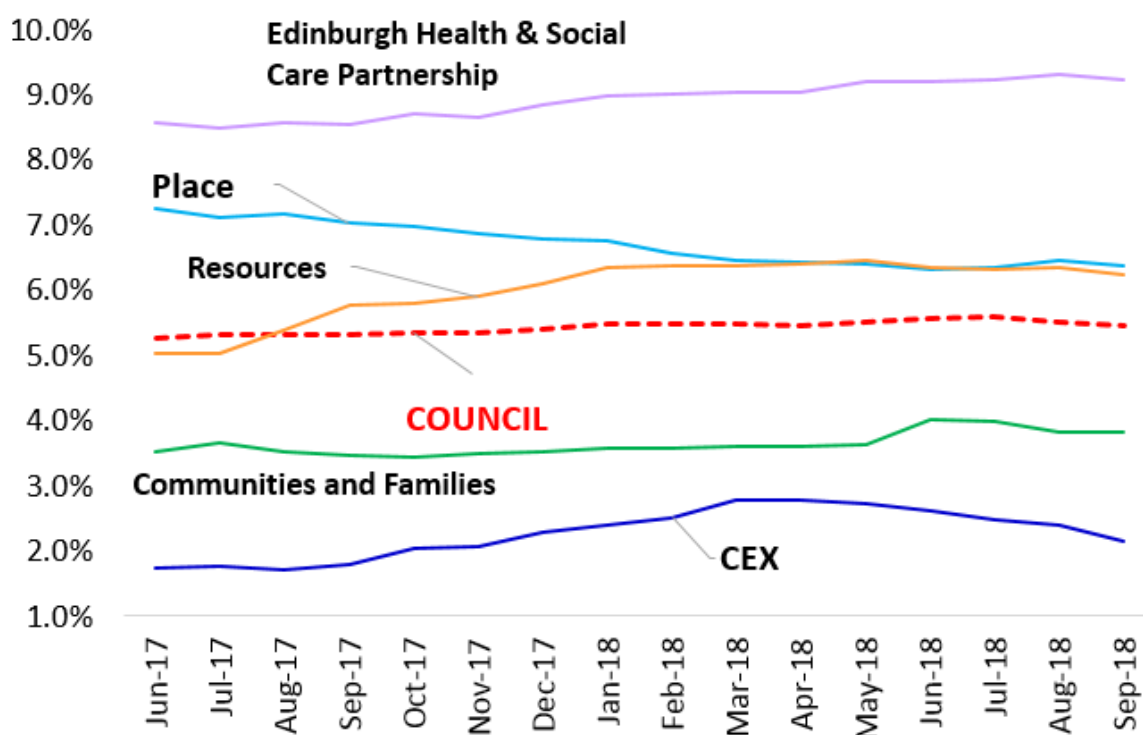


Figure 15: 12 Month Rolling Absence Trend – Directorates

The rolling 12-month absence rate (graph and table data) captures the total working days lost to absence over the previous 12-month period. The rolling rate does not reflect the seasonal variation as observed in the monthly absence rate, which reports the total working days lost to absence over the previous month. Note that the workforce dashboard absence reporting is currently being reviewed to provide a monthly picture of absence across the organisation.



Period	Council	Communities and Families	Chief Executive	Health and Social Care Partnership	Place	Resources
Jun-17	5.27%	3.51%	1.73%	8.58%	7.26%	5.04%
Jul-17	5.33%	3.67%	1.76%	8.49%	7.12%	5.04%
Aug-17	5.31%	3.51%	1.71%	8.56%	7.17%	5.39%
Sep-17	5.31%	3.48%	1.79%	8.55%	7.03%	5.77%
Oct-17	5.35%	3.45%	2.05%	8.70%	6.97%	5.81%
Nov-17	5.36%	3.50%	2.07%	8.65%	6.88%	5.90%
Dec-17	5.41%	3.53%	2.29%	8.84%	6.78%	6.09%
Jan-18	5.48%	3.57%	2.41%	8.98%	6.75%	6.35%
Feb-18	5.49%	3.59%	2.51%	9.00%	6.56%	6.39%
Mar-18	5.49%	3.61%	2.78%	9.05%	6.47%	6.38%
Apr-18	5.47%	3.60%	2.79%	9.04%	6.44%	6.41%
May-18	5.52%	3.64%	2.74%	9.21%	6.40%	6.47%
Jun-18	5.56%	4.01%	2.61%	9.20%	6.31%	6.35%
Jul-18	5.59%	4.00%	2.49%	9.22%	6.35%	6.33%
Aug-18	5.50%	3.83%	2.40%	9.31%	6.45%	6.34%
Sep-18	5.45%	3.83%	2.16%	9.23%	6.38%	6.23%

