

3rd July 2017**Agenda Item: 8****REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN
RESOURCES****NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING
INFORMATION AS AT 31ST MARCH 2017****Purpose of the Report**

1. The purpose of this report is to provide Elected Members with an updated overview of the position in relation to the County Council's directly employed workforce and to agree how this information is reported on and used to shape the Council's workforce planning approach and strategy going forward.

Information and Advice**Background:**

2. The regular collection and analysis of a range of corporate workforce information enables the Council to effectively monitor the ongoing impact of organisational change and transformation on the number and nature of its staff and assist it to predict and forward plan its future workforce requirements.
3. Critical to this is accurately establishing and identifying what type of skills, knowledge, experience and aptitudes the Council needs to have available. This is based on an ongoing prediction of key service demands and major workforce issues, subject to regular review to reflect changes in requirements.
4. This approach relies on developing a structural model and organisational culture which broadens the definition of the Council's workforce and enables it to be more mobile and flexible in working across the whole Council and with partner organisations through effective cross skills training and development.
5. It also necessitates adopting a more systematic approach to retraining, redeployment and career development which includes identifying horizontal, rather than vertical, career opportunities as set out within the framework of the Council's Workforce Strategy for 2016-18.

Headcount:

6. The County Council headcount figure for non-school based direct employees as at 31st March 2017 was **7,530**. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
7. In the 12 months since March 2016 this represents an overall headcount reduction to date of **1,246** from **8,776**. This reflects a number of reasons including the implementation of Service Reviews and organisational re-design, the transfer out of some services to alternative service delivery models during 2016 and natural turnover, including retirement.

Vacancy Management:

8. The Council's Vacancy Control arrangements continue to be applied, these are designed to ensure robustness and consistency of vacancy management to enable agreed post reductions to be made with the minimum number of compulsory redundancies by providing redeployment opportunities for employees at risk of redundancy.
9. The Vacancy Control statistics in **Appendix A**, which reflect the period January to March 2017 inclusive, indicate that overall during this quarter the majority of vacancies, **243** of **401**, submitted through the centralised recruitment process have been filled on a permanent basis.
10. This includes posts in Children's Social Care, which has a rolling programme of Social Worker recruitment, 50 part-time countywide Youth Support Workers, and Social Worker posts in North Nottinghamshire in ASCHPP where there are recruitment difficulties. In Place, the majority of part-time school based cleaning and catering posts have been advertised permanently to ensure recruitment levels are sufficient to maintain competitiveness in the open market.

Turnover:

11. A degree of turnover is expected and is healthy for an organisation in respect of refreshing its skills base and diversity. Natural turnover inevitably occurs as employees reach retirement age, gain alternative employment, transfer to other employers or choose to leave work for other often positive reasons.
12. Service Review processes continue to generate both compulsory and voluntary redundancies. As set out in **Appendix B**, no employees left as a result of compulsory redundancies during the quarter and **26** took voluntary redundancy.
13. The NCC turnover rate, including redundancies, has continued to fall over recent quarters. Turnover averages **10.49%** for the whole 12 month period from March 2016.
14. In comparison, the most recently reported (2016), CIPFA benchmark average turnover rate for those County Council's in the NCC benchmarking cohort is **8.50%**. The most recently reported overall Local Government (LGA), average turnover rate stood at **13.40%** as at 31st March 2015.

15. The table in **Appendix B** sets out details of the reasons given for leaving over the 12 month period up to 31st March 2017, it includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees. As indicated, the most commonly recorded reason for leaving in this quarter, **59 of a total of 106** continues to be “resignation”.
16. This category has been broken down further in Table 1 below to provide more detailed data, using the categories specified on leaver forms and as recorded by managers on the Business Management System. A significant majority of leavers continue to cite personal reasons, this includes those employees moving on to employment with other organisations.

Table 1:

Resignations December 2016 to March 2017	
Reasons for leaving	
Return to Education/Retraining	0
Following Career Break	0
Following Maternity Leave	0
Job Related Reasons	7
Not Known	1
Personal Reasons inc job with new employer	51
Total	59

17. The next most prevalent reason for leaving during the quarter is Voluntary Redundancy (**26 out of a total of 106**), which relates to those employees aged 55 or over who can access their accrued pension benefits. This has increased from **2** at the previous quarter reflecting the final phases of the impact of the most recent Section 188 notice during which some savings were activated through redundancies in advance of the new financial year.
18. No Compulsory Redundancies were made during the current period.
19. Gathering quantitative turnover data is an important workforce planning tool, there is also a need to understand why employees choose to leave the Council and identify whether specific actions to address this are required. This may lead to consideration of recruitment and retention strategies or investigating more closely the reasons for staff moving on.
20. Exit interviews can provide a valuable source of qualitative information about the reasons that employees are leaving from a particular area or profession and inform further work within the service on identifying the impact of a range of recruitment and retention measures.
21. Anecdotal information from our agency managed service provider also indicates that in some cases people leave employment to pursue opportunities with other employers as part of a contingent workforce.

Redundancies:

22. The Council continues to consider all reasonable mitigations to reduce the impact on individual employees of the post deletions arising from Service Reviews.
23. Table 2 below provides an update on the confirmed number of overall redundancies during the current financial year to date, that is as at **31st March 2017**, and also the preceding three financial years.

Table 2:

	2013/14	2014/15	2015/16	2016/17	Overall Total to date	%
Voluntary Redundancy	134	227	64	80	505	75.3%
Compulsory Redundancy	14	45	30	77	166	24.7%
Total Redundancies	148	272	94	157	671	

24. The in-year total of 80 voluntary redundancies at year end 2016/17 equates to 70.1fte posts and the 77 compulsory redundancies over the same period to 37.4 fte posts.
25. The trades unions continue to work closely at a corporate level with management to consider the potential for further mitigations to reduce the number of compulsory redundancies arising from Service Reviews.
26. A range of existing mitigations will remain in place to help manage and minimise the impact on individuals, these include: vacancy control, redeployment search, effective workforce planning (including retraining / reskilling), reduced working hours, prioritising volunteers for redundancy wherever possible and job search support and are described below.

Redeployment:

27. Every effort continues to be made to support direct NCC employees identified as being at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. This includes access to the Council's on-line redeployment portal.
28. A successful redeployment relies on the full and flexible engagement of the individual employee in the redeployment search process and the consistent commitment of all managers to providing at risk employees with well supported trial periods in potentially appropriate alternative posts.
29. Ongoing organisational transformation continues to restrict the number and range of vacant posts available for the redeployment of at risk employees. In this context the Council continues to aim to offer every reasonable support to engage

redeployees in accessing skills based training and retraining opportunities to maximise their potential to be redeployed into any available suitable alternative posts.

Other support for employees at risk of redundancy:

30. A dedicated intranet site offers an extensive package of information and training, support delivered through a blended offer of direct delivery and eLearning. This covers a wide range of topics ranging from career planning, CV writing and interview skills, dealing with change to planning for retirement and financial management. Information regarding training events and individual support sessions is also accessible via the internet so employees can access this from outside of their work base if they wish.
31. This support package is also available to support all staff to respond positively to the impact of service and organisational change but those identified as being at risk are prioritised. Content is continually reviewed to assess demand and revised, in consultation with trades union colleagues, to reflect feedback from employees.
32. In addition the coaching provision, which is available to all NCC employees through the Council's in-house Coaching network, can be accessed by employees affected by change to support them to identify their future career options.
33. Support provisions continue to be well utilised. Between April 2013 and March 2017 NCC employees have made a total of **11,017** unique views of the available information and associated support provisions.
34. Whilst the eLearning and information element is constantly available the availability of learning events and sessions is based on estimated demand which fluctuates dependent on the degree of impact arising from associated service changes.
35. In the quarter from 1st January 2017 to 31st March 2017 a further **12** training and support sessions were delivered in partnership with external providers including Job Centre Plus and Futures. These sessions were attended by **89** employees.
36. Provision is regularly reviewed to ensure that demand can be met and fluctuates depending on the current impact of the Council's ongoing change and Service Review programme. A further **28** events are currently offered for the year April 2017 to March 2018, this will continue to be reviewed and revised on an ongoing basis as actual demand is established.

TUPE Transfers:

37. The impact of staffing reductions on the Council's overall workforce headcount needs to be considered in the context of fluctuations arising from the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

as summarised in Table 3 below.

38. The TUPE transfers that arose from the implementation of alternative service delivery models during the course of 2016/17 impacted significantly on the overall headcount of the Council's direct workforce. The increase during the final quarter of 2016/17 reflects the TUPE transfer of commercial staff at Rufford Country Park to Parkwood Leisure in February 2017 as highlighted.

Table 3:

TUPE transfers	2014/15		2015/16		2016/17	
	In	Out	In	Out	In	Out
Catering and Cleaning	1	69	0	121	4	81
Economic Development			1	0		
ASCHPP Joint Commissioning	1	0				
Rampton Hospital Library	0	2				
Community Safety Team	1	0				
Ranby Prison Library				3		
Inspire						485
Property						70
Highways						636
Rufford Country Park (commercial)						21
Total	3	71	1	124	4	1293

Use of Agency Workers:

39. The Council recognises the need to have flexible resourcing models in place to enable services to meet fluctuating demand. Over the life of the managed service contract with Reed, greater challenge has been instilled and the need to follow the vacancy management process for agency placements lasting longer than immediate short term cover has been introduced.
40. The latest quarter's figures for agency workers, consultants and interims are set out in **Appendix C** to this report. The quarter to 31st March 2017 continues to see an overall reduction in the use of agency, interims and consultants from **229.7 to 198.0** full time equivalents (FTE). This shows an overall reduction of **31.7 FTE** from the previous quarter.
41. The significant effort to reduce usage of agency Social Workers in Children's Social Care through targeted recruitment, improved relationships with local universities, improved support and supervision for newly qualified workers and

the introduction of a retention payment in the hard to recruit to teams, has seen an ongoing reduction in successive quarters since the programme began. Usage of agency staff in this quarter remains relatively constant at **52.3 FTE** compared to **51.3 FTE** in the previous quarter. There are also 5 consultants in this area.

42. Initial indications around the shift of emphasis on IR35, introduced in the new tax year, show little overall impact on the number of agency workers. All affected placements were considered on a case by case basis to determine the status of each engagement. The most significant impact was felt in ICT due to the nature of the work and transferable skills of those engaged. Work is ongoing to support schools determining the status of off-payroll employees to ensure the revised tax legislation requirements are being fully met.
43. There has also been a small reduction in the ASCH&PP department with their figure reducing further from **75.6 FTE** to **68.0 FTE**, a reduction of **7.6 FTE**. Agency usage in this department is primarily in residential or day services. ASCH &PP have procured contracts for service to deliver key statutory functions such as Deprivation of Liberty/Best Interest Assessments and the contract is pay per assessment so reducing the impact of IR35 and Agency Worker Regulations in this area.
44. In Resources, there has been a further reduction of **13.4 FTE** in overall usage from **71.1 FTE** to **57.7 FTE**. The change continues to be primarily achieved in the Customer Service Centre due to introduction of a career grade and as new recruits transfer from agency to employment.
45. Place has shown a decrease from **22.8** to **15.0 FTE**, a reduction of **7.80 FTE following** scrutiny of ongoing demand for drivers with managers and exploration of more effective resourcing solutions.
46. Work continues to maximise the benefits of the managed service contract with the introduction of tenure discounts for longer term placements. A cap to the rates paid for Children's Social Workers was introduced across the East Midlands in January 2017. The impact of this is currently being closely monitored to consider whether there has been an adverse effect on consistency and quality of supply.

Reasons for Recommendations

47. The regular provision of this information will enable Members to continue to review the impact of the Council's transformation programme in terms of the numbers of people directly employed by the organisation and monitor the impact of organisational change in the workforce across the Council.

Statutory and Policy Implications

48. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described be-

low. Appropriate consultation has been undertaken and advice sought on these issues as required.

Human Resources Implications

49. The trades unions continue to be actively engaged through the Council's Joint Consultative and Negotiating framework in ensuring that appropriate mitigations reduce the number of redundancies, particularly compulsory redundancies. The trades unions have noted and commented positively on the contents of the report. Trades union colleagues highlighted positive working relationships and joint working with management as important in ensuring effective support for colleagues facing redundancy and organisational change and enabling successful redeployment. Trades union colleagues also welcomed the reduction in the numbers of agency staff and consultants and continued use of permanent as opposed to temporary or fixed term contracts where appropriate.

Equalities Implications

50. The Council's Enabling Procedure; Early Retirement; Redundancy and Redeployment policies apply equally to all directly employed staff. These procedures contain guidance which ensures appropriate and consistent management of the redundancy consultation and selection processes and that this is undertaken in compliance with the requirements of the Equality Act 2010.
51. Equality Impact Assessments are undertaken as appropriate and are an integral part of the Service Review process to ensure that implications of any proposed changes for service users and staff are identified and action taken to address any specific issues or disproportionate impacts on particular groups arising from the proposed changes.
52. The County Council's current statutory Workforce Profile Information report, as at 1st April 2016, illustrates that ongoing reductions in the headcount of the direct NCC workforce have not had a direct or negative impact on the overall diversity profile of the remaining workforce. An update report showing the profile of the Council's workforce by its "protected characteristics" (gender, age, disability, ethnicity, religion / belief and sexual orientation), as at 1st April 2017 will be submitted to the next meeting of this Committee.

Financial Implications

53. The range of mitigations in place help to ensure that, wherever possible, at risk staff are redeployed to suitable alternative posts thus maintaining the Council's investment in their skill development and reducing the cost of redundancy compensation payments, and, where the redundant employee is over 55 years of age, under current Local Government Pension Scheme Regulations, the early release of their pension benefits.
54. The financial cost of redundancies to the Council is factored into the Medium Term Financial Strategy and actual costs are reported on an annual basis

through the Statement of Accounts.

RECOMMENDATIONS

It is recommended that:

1. The updated workforce planning information and trends identified within this report are used to develop the Council's revised Workforce Strategy and underpinning Workforce Plan and that these are the subject of a future report to Personnel Committee.
2. Members agree that the future scope and format of this report be reviewed to reflect the Council's future reporting requirements as set out in the new Planning and Performance Framework agreed by Policy Committee.

Marjorie Toward

Service Director - Customers and Human Resources

For any enquiries about this report please contact:

Claire Gollin, Group Manager HR on 0115 9773837 or claire.gollin@nottscc.gov.uk

Constitutional Comments (KK 01/06/17)

55. The proposals in this report are within the remit of the Personnel Committee.

Financial Comments (CSB 30/05/17)

56. The financial implications are set out in the report.

Human Resources Comments (CLG 31/5/17)

57. The human resources implications are implicit in the body of the report.

Background Papers and Published Documents

Trades union side comments 19/6/17

Electoral Division(s) and Member(s) Affected

All