

28th September 2016**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN
RESOURCES****NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING
INFORMATION AS AT 30TH JUNE 2016****Purpose of the Report**

1. The purpose of this regular, quarterly, 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 highlight trends relating to this data.

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 staff as at 30th June 2016 was **8,093**. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.

7. In the year since June 2015 this represents an in year overall headcount reduction to date of **739** from **8,832**. This reflects a number of reasons including the implementation of Service Reviews and organisational re-design with resultant redundancies, also the transfer out of other NCC staff to become employees of alternative organisations, in addition to natural turnover and retirement.
8. On April 2016 a total of **597** Libraries and Archives employees transferred into the Inspire community benefits society which is reflected in the headcount figure for this quarter. The next report for Quarter 2 2016/17 (as at 30th September 2016) will reflect the further impact on headcount of the transfer out of **636** former Highways and **70** Property employees to the Via and Arc joint ventures respectively with effect from 1st July 2016.

Vacancy Management:

9. The Council's established Vacancy Control arrangements 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.
10. The Vacancy Control statistics in **Appendix A** reflect the period April to June 2016 inclusive, this indicates that overall during this quarter the majority of vacancies submitted through the centralised recruitment process have been filled on a fixed term basis. This includes the ASCHPP department which has a rolling programme of recruitment to a supply register for Occupational Therapists, Community Care Officers and Social Workers.
11. In the first quarter of 2016/17 a total of **665** posts went through the vacancy control decision process with the following outcomes:
 - Permanent – **206** posts (94 of these in ASCHPP and 66 in CFCS)
 - Fixed term – **458** posts (339 of these in CFCS)
 - Agency – **1** post
 - Deleted - Nil

Turnover:

12. 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.
13. Service review processes continue to generate both compulsory and voluntary redundancies. As set out in **Appendix B**, the number of employees leaving as a result of compulsory and voluntary redundancies, **110** in total, has risen significantly since the previous quarter. The **75** compulsory redundancies predominantly reflect the cessation of the " Notts Performing Arts " service from April 2016. Affected employees worked a very low number of part time hours, typically around 3 per week.

14. The impact of this is that, when redundancies are factored in, the NCC turnover rate, including redundancies, calculated as the mean average over the previous 12 month period, currently stands at **15.58%** compared to **9.25%** at the previous quarter, averaging at **10.41%** for the whole 12 month period from July 2015.
15. The most recently reported Local Government average turnover increased from **11.90% to 13.4%** as at 31st March 2015.
16. The table in **Appendix B** sets out details of the reasons given for leaving over the 12 month period up to 30th June 2016 and includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
17. As indicated, the most commonly recorded reason for leaving in this quarter continues to be “resignation” (**153** out of a total of **318** leavers). This category has been broken down further in the table below to provide more detailed data, using the categories specified on NCC leaver forms and as recorded by managers on the Business Management System, the significant majority were for personal reasons including employees moving on to employment with other organisations:

Resignations April 2016 to June 2016	
Reasons for leaving	Number:
Return to Education/Retraining	3
Following Career Break	1
Following Maternity Leave	3
Job Related Reasons	24
<i>Not Known</i>	0
Personal Reasons Inc. new job with other employer	122
Total:	153

18. After redundancy the third highest reason for leaving is retirement (**35** out of a total of **318**), which relates to those employees aged 55 or over who can access their accrued pension benefits.
19. Gathering quantitative turnover data is an important workforce planning tool, however there is also a need to understand why employees choose to leave the Council and identify whether specific actions to address this are required.
20. There may be also a need to consider and review recruitment and retention strategies or investigate more closely the reasons for staff moving on. Exit interviews, which are usually conducted by the line manager, can provide a valuable source of qualitative information about the reasons that employees are leaving from a particular area or profession.
21. The conduct of exit interviews in Children's Social Care by HR business partners began in August 2016 and will be fully rolled out from 1st September 2016. The change of responsibility was to insert a higher level of challenge and to

encourage greater openness in discussing the reason(s) for leaving. The results of this will inform further work within the service on identifying the impact of a range of recruitment and retention measures over the next quarter and beyond.

22. 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:

23. The Council continues to consider all reasonable mitigations to reduce the impact on individual employees of the post deletions arising from service reviews.

24. The following table provides an update on the confirmed number of overall redundancies during the current financial year, as at **30th June 2016**, and also the preceding three financial years.

	2013/14	2014/15	2015/16	2016/17	Overall Total to date	%
Voluntary Redundancy	134	227	64	35	460	73.7%
Compulsory Redundancy	14	45	30	75	164	26.3%
Total Redundancies	148	272	94	110	624	

25. The impact of ongoing service review and cessation arising from organisational transformation on the size and scope has incrementally reduced this ratio over the last 18 months. The percentage of redundancies that are voluntary rather than compulsory has fallen by **9.00** percentage points since the last reporting period. The impact of the compulsory redundancies described in paragraph 13 above has reversed this balance during the first quarter of the current year.
26. Proposed legislative changes to public sector exit payments currently scheduled to take incremental effect from October 2016 onward have the potential to impact on the likelihood of long serving employees volunteering for redundancy. The details of these changes will be reported to members once the detail is confirmed by Government.
27. 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 review.
28. Whilst redundancies arising out of agreed planned savings for 2017/18 are likely to further impact later in the current financial year, the 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:

29. Every effort continues to be made to support direct NCC employees at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. This includes access to the Council's on-line redeployment portal for employees at risk of redundancy.
30. 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.
31. Organisational transformation is affecting the vacancy pool and the number and range of posts available for the redeployment of at risk employees continues to reduce. 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 suitable alternative posts.

Other support for employees at risk of redundancy:

32. A dedicated intranet site offers an extensive package of information and training, support covering 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.
33. 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.
34. Provisions continue to be well utilised. Between April 2013 and June 2016 employees made a total of **9,987** unique views of the available information and associated support provisions.
35. 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.
36. In the period from 1st April 2015 to 30th June 2016 a further **9** training and support sessions were delivered in partnership with external providers including Job Centre Plus and Futures. These sessions were attended by **85** employees.

37. In response to estimated demand for this provision during quarter 2 a further **14** events are currently offered for the period July – September 2016.

TUPE Transfers:

38. The overall 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).

39. A significant number of TUPE transfers have arisen from the implementation of alternative service delivery models and during the course of 2016/17 this will impact significantly on the overall headcount of the Council's direct workforce, as described in paragraph 8 of this report.

40. The transfer out of permanent and temporary employees under TUPE from the former Libraries, Culture and Learning service to the Inspire community benefit society is reflected in the table below (* the figure does not include casual/relief staff or individuals who still retain another employment with NCC):

TUPE transfers	2014/15		2015/16		2016/17	
	In	Out	In	Out	In	Out
Catering and Cleaning	1	69	0	121	4	23
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*
Total	3	71	1	124	4	508

41. Quarter 2 data will reflect the transfer out of a further 70 Property employees to the Arc joint venture and 636 Highways employees to the Via Joint Venture.

Use of Agency Workers:

42. The latest quarter's figures for agency workers, consultants and interims are set out in **Appendix C** to this report. The quarter up to 30th June 2016 has seen a further decrease from the previous quarter.

43. Usage of long term agency/consultant/interim placements has reduced across all departments over the quarter resulting in an overall reduction across the Council

reducing from **305.1** to **278.4** full time equivalents (FTE). This is an encouraging figure, representing a reduction of **49.4** FTE over the last 6 months.

44. The transfer of Highways services to the new arrangements under Via will not be reported until the end of the second quarter as the transfer took place on 1st July 2016 which is outside the scope of this report and this will account for a further reduction of **22.27** FTE agency workers and consultants.
45. Members may recall the ongoing work in Children's Social Care and the additional scrutiny of agency usage in this area by the challenge panels. Whilst it is early days in evaluating the impact of the range of measures introduced to address retention issues, there has been a reduction of **5.70** FTE agency social workers over the period to 30th June 2016 in this area.
46. Progress is being carefully monitored with newly qualified workers commencing their employment being mentored through their first year post qualification by more experienced employees and agency workers being retained until the newly qualified staff are ready to pick up more complex or increased caseloads.
47. The number of agency workers in Adult Social Care has reduced by 12.60 FTE over the latest quarter with the highest number still being placed in Direct Services. There has been an overall reduction in the Place department but there is increased usage in County Supplies due to some complex management challenges and the short notice retirement of the service manager. Resources has also shown a slight overall reduction of **2.29** FTE.

Reasons for Recommendations

48. 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.

Statutory and Policy Implications

49. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Human Resources Implications

50. 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 on the contents of the report.

Equalities Implications

51. The Council's Enabling Procedure and Early Retirement and 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.
52. 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.
53. This County Council's current 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.

Financial Implications

54. 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 Local Government Pension Scheme Regulations, the early release of their pension benefits.
55. 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 Members note:

1. The updated workforce planning information and trends contained within this report.
2. The relative impact of redundancies and associated mitigations, natural turnover, vacancy control and TUPE transfers on the overall number of employees.
3. The range of mitigating measures and support provisions which continue to be used to minimise the impact in respect of compulsory redundancies.

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Constitutional Comments (KK 08/09/16)

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

Financial Comments (SES 07/09/16)

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

Human Resources Comments (CLG 15/8/16)

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

Background Papers

Trades union side comments – date

Electoral Division(s) and Member(s) Affected

All