

**25<sup>th</sup> May 2016****Agenda Item: 6****REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN  
RESOURCES****NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING  
INFORMATION AS AT 31<sup>ST</sup> MARCH 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. 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 plan its future staffing and skills requirements. The Council is therefore committed to an integrated, structured and strategic approach to its overall workforce planning.
3. Critical to this is accurately establishing and planning for urgent and future staffing requirements 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 a model that equips the Council's workforce to be more mobile and flexible in working across the organisation and with partners with effective cross skills training and development. It also necessitates adopting a more systematic approach to retraining, redeployment and career development which includes identifying horizontal, rather than vertical, career opportunities.
5. This workforce planning model will enable the Council to be responsive to supply and demand and is reflected in the Council's new Workforce Strategy for 2016-2018 which is the subject of a separate report to this Committee.

**Headcount:**

6. The County Council headcount figure for non-school based staff as at 31<sup>st</sup> March 2016 is **8,776**. This includes directly employed permanent staff and staff on fixed term contracts and

excludes relief, supply and casual employees. In the year since April 2015 this represents an in year overall headcount reduction to date of **92** from **8,868**.

7. The trend of overall reduction in workforce numbers is due to a number of reasons including the implementation of Service Reviews and organisational re-design with resultant redundancies and transfer out of some staff, as well as natural turnover and retirement.
8. As part of its budget proposals, on 1<sup>st</sup> December 2015 the Council issued its latest Section 188 notice listing 182.21 FTE posts for potential deletion by 1<sup>st</sup> April 2016, of which 75.32 fte were already vacant.
9. Moving forward, there will be considerable fluctuation in workforce numbers arising from the need to respond to the increasing demands of new legislative requirements in Adult Social Care balanced against the impact of the adoption of a range of Alternative Service Delivery Models for Libraries, Highways and Property Services from 1<sup>st</sup> April 2016 onward.

#### **Vacancy Management:**

10. The Council's 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.
11. The Vacancy Control statistics in **appendix A** reflects the period January to March 2016 inclusive, this indicates that overall during this quarter a number of vacancies submitted through the centralised recruitment process have been filled on a permanent basis. This is predominantly in ASCHPP and reflects the imperative to sustainably fill specialist critical front line posts in this department and also applies in Children's Social Care.
12. A total of **495** posts went through the vacancy control process with the following outcomes:
  - Permanent – **290** posts (226 of these in ASCHPP)
  - Fixed term – **202** posts (103 of these in CFCS)
  - Agency – **3** posts
  - Deleted - Nil

#### **Turnover:**

13. 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.
14. When redundancies are factored in the NCC turnover rate calculated as the mean average over the previous 12 month period, currently stands at **9.25%** compared to **8.90%** at the previous quarter.

15. The most recently reported Local Government average turnover is **11.90%** as at 31<sup>st</sup> March 2014 (*NB: more current data for year end 2015 is still awaited from the Local Government Association, it is anticipated that this will be available to provide updated information in the next report to this Committee*).
16. The table in **appendix B** sets out details of the reasons given for leaving over the 12 month period up to 31<sup>st</sup> March 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 common reason for leaving by a considerable margin continues to be “resignation” (121 out of a total of 212 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:

<b>Resignations January 2016-March 2016</b>	
<b>Reason:</b>	<b>Number:</b>
Return to Education/Retraining	0
Following Career Break	0
Following Maternity Leave	1
Job Related Reasons	23
<b>Personal Reasons Inc. new job with other employer</b>	<b>95</b>
Not known	2
<b>Total:</b>	<b>121</b>

18. The second highest reason for leaving continues to be retirement (32 of 212), which relates to those employees who can access their accrued pension benefits.
19. Gathering quantative 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 also be 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. In order to identify and address turnover issues in identified recruitment and retention hotspot areas, a new model will be trialled in Children’s Social Care under which HR Business partners will undertake exit interviews directly with all leavers. This will ensure consistency and introduce an element of independence from management in order to more effectively highlight issues for action.

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. In order to reduce the impact on individual employees of the post deletions arising from the Section 188 notice issued on 1<sup>st</sup> December 2015, the Council continues to consider all reasonable mitigations.
24. The following table provides an update on the confirmed number of overall redundancies during the whole financial year 2015/16, as at **31<sup>st</sup> March 2015**, and also the previous two financial years.

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>Overall Total to date</b>	<b>%</b>
<b>Voluntary Redundancy</b>	134	227	64	425	<b>82.70%</b>
<b>Compulsory Redundancy</b>	14	45	30	89	<b>17.3%</b>
<b>Total redundancies</b>	148	272	94	<b>514</b>	

25. The majority of all redundancies continue to be achieved by voluntary means. As organisational transformation impacts further on its size and scope, it will become increasingly difficult to maintain this ratio. Indicative of this, the percentage of redundancies that are voluntary rather than compulsory has fallen by **2.84** percentage points since the last reporting period.
26. Through the Corporate Joint Consultative and Negotiating Panel (CJCNP) the trades unions continue to work closely at a corporate level with management to consider the impact and the potential to improve mitigations to reduce the number of compulsory redundancies.
27. A full range of mitigations, including vacancy control, redeployment search, effective workforce planning (including retraining / reskilling), reduced working hours, prioritising volunteers for redundancy wherever possible and job search support will remain in place to help manage and minimise the impact on individuals.

### **Redeployment:**

28. 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.
29. 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.

30. During quarter 4 the number of employees identified at risk of redundancy who were successfully redeployed was **13.6%**. This reflects the impact of the implementation of the post reductions arising from the Section 188 notice which began to impact in January 2016 following the conclusion of the statutory consultation period and the fact that vacant posts are increasingly being held to contribute to service savings.

31. 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. The Council remains committed to pro-actively assisting staff at risk of redundancy to remain in its overall employment wherever possible or to successfully gain alternative employment elsewhere.

33. A dedicated intranet site offers an extensive range of on-line support and guidance 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.

34. This provision 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.

35. The support package is continually reviewed, extended and improved, in consultation with trades union colleagues, to reflect feedback from employees and additional events are made available, on a Countywide basis, on a demand led basis.

36. The training and support provisions are based on estimated demand and continue to be well utilised. Between April 2013 and March 2016 employees made a total of **8,591** unique views of the available information and associated support guides and documents.

37. 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.

38. In the period from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 a total of **27** training and support sessions were delivered in partnership with external providers including Job Centre Plus and Futures. These sessions were attended by **229** employees.

39. In response to an increase in demand for this provision during quarter 4 a further **36** events have been offered for the period April - June 2016 compared with **17** during the last quarter.

40. The trade unions are actively supportive of the Councils' commitment to Life Long Learning and provide a range of learning opportunities for their members which complement the Council's offer.

#### **TUPE Transfers:**

41. The overall impact of staffing reductions needs to be considered in the context of fluctuations in the workforce due to the implementation of transfers of staff in and out of the authority under the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).
42. The number of TUPE transfers out arising from the implementation of alternative service delivery models will incrementally increase during 2016/17 impacting significantly on the overall headcount of the Council's direct workforce moving forward.
43. On 1<sup>st</sup> April 2016 around 600 County Council employees were due to transfer under TUPE from the former Libraries, Culture and Learning service to the Inspire community benefit society. This will have an impact on overall headcount that will impact on the data in the report for the first quarter of 2016/17.
44. During the reporting period ending 31<sup>st</sup> March 2016 a further **19** employees in Catering and Cleaning services transferred out of the authority as the following table indicates:

<b>TUPE transfers</b>	<b>2014/15</b>		<b>2015/16</b>	
	<b>In</b>	<b>Out</b>	<b>In</b>	<b>Out</b>
Catering and Cleaning	1	69	0	121
Economic Development			1	0
ASCHPP Joint Commissioning	1	0		
Rampton Hospital Library	0	2		
Community Safety Team	1	0		
Ranby Prison Library				3
<b>Total</b>	<b>3</b>	<b>71</b>	<b>1</b>	<b>124</b>

#### **Use of Agency Workers:**

45. The latest quarter's figures for agency workers, consultants and interims can be found in **appendix C**. The quarter to 31<sup>st</sup> March 2016 has seen a slight decrease since the previous report with agency usage for the final quarter of 2015/16 showing a small reduction in the number of long term agency/consultant/interim placements across the Council from 327.8 to 305.1 full time equivalents (FTE).
46. The greatest reduction has been in Adult Social Care, Health and Public Protection, with a reduction of 12 primarily in North Notts and Direct Services, with 5 fewer in Resources, 2.73 in Place and 3 in Children, Families and Cultural Services. There has been an increase of 5 consultants overall with all being placed in the Finance, Procurement and Improvement division.

47. A second round of challenge panels will take place in Children's Social Care to be completed by the beginning of May. This requires the managers of all the Children's social care teams to present their current levels of agency usage, the review plans for each placement and any identified exit strategies to replace agency workers with newly qualified employees as they graduate from the end of May onwards. As Members may recall, further measures are due to be introduced including a market factor payment to assist with the recruitment and retention in certain "hard to recruit to" teams and future reports will identify what impact these measures have had on reducing usage of agency workers.

### **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. In relation to the profile of the Council's workforce it will continue to be monitored in line with statutory reporting requirements and Members will be updated on this through annual reports to Personnel Committee.

### **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.
44. The trades unions have noted and commented on the contents of the report and are generally supportive of the information it contains.
51. Information regarding the use of agency workers has been provided to the recognised trade unions as part of the requirements of publishing a Section 188 notice.

### **Equalities Implications**

52. 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.

53. 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.
54. This County Council's current Workforce Profile Information report, as at 1<sup>st</sup> April 2015, highlights that despite post reductions, the representation of disabled people, people from black and ethnic minority groups and the balance of male and female employees in the workforce continues to remain fairly constant and comparable with the representation in the local community.

### **Financial Implications**

55. 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.
56. 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 26/04/16)**



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

**Financial Comments (SES 03/05/16)**

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

**Human Resources Comments (CLG 20/4/16)**

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

**Background Papers**

Trades union side comments

**Electoral Division(s) and Member(s) Affected**

All