

11th May 2015

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE**NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING
INFORMATION AS AT 31ST MARCH 2015****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 trends relating to this data. This workforce information will enable the Council to effectively monitor the on-going 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.

Information and Advice**Background:**

2. To support the successful delivery of its *Redefining Your Council* transformation programme and enable it to become a high performing organisation which is an employer of choice, the Council will need to adopt an integrated, structured and strategic approach to its overall workforce planning. This will include:
 - talent management
 - career planning
 - succession planning
 - identification and addressing of skill gaps
 - leadership and management development
 - effective recruitment
 - effective retention.
3. Critical to this is establishing current and future staffing requirements and identifying what type of employees the organisation will need based on a prediction of key service demands and major workforce issues. The Council will need to identify its people resource needs and regularly review these to reflect changes in requirements.
4. This will necessitate equipping our people to be more flexible in working across the organisation and with partners with effective cross skills training and adopting a more systematic approach to retraining, redeployment and career

development which includes identifying horizontal, rather than vertical, opportunities.

5. These priorities will ensure that the Council has the right skills sets available in the right places in a flexible delivery model across a range of partner and other employing organisations.
6. This new organisational design model will require a flexible, mobile, workforce which is responsive to supply and demand.
7. This approach will be reflected in the Council's new Workforce Strategy for 2015-2018 which is being developed as part of the Workforce Development Programme of the Council's cross cutting transformation portfolio.

Headcount:

8. The actual County Council headcount figure for non-school based staff **as at 31st March 2015** is **8,959**. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees. Since April 2014 this represents an in year overall headcount reduction of **213** from **9,172**.
9. 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 of the Council with resultant redundancies and transfer out of some staff, as well as natural turnover and retirement.
10. Moving forward, there may be considerable fluctuation in workforce numbers arising from the need to respond to the demands of new legislative requirements in Adult Social Care and the impact of the adoption of a range of Alternative Service Delivery Models.

Vacancy Management:

11. The majority of vacancies continue to be filled on a temporary basis under the Council's Vacancy Control Process. The intention of these arrangements is to ensure robustness and consistency of vacancy management to enable agreed post reductions to be made with the minimum number of compulsory redundancies by deleting vacant posts and providing redeployment opportunities for employees at risk of redundancy.
12. The Vacancy Control statistics in **Appendix A** reflect the period January 2015 to March 2015. During this period **408** vacancies went through the vacancy control process with the following outcomes:
 - Permanent – **171** posts
 - Fixed term – **228** posts
 - Agency workers – **8** posts
 - Deletions – **1** post

Turnover:

13. The latest Local Government Association Workforce Survey shows that the Local Government average turnover is **11.40%**.
14. The most recently available CIPFA Value for Money benchmarking data measures turnover through leavers, excluding redundancies. Against all the County Councils in the benchmarking group the average against this indicator is **10.00%**, whilst across all local authorities who are members of the benchmarking network, it is **10.60%**.
15. When redundancies are factored in the NCC turnover rate, calculated as the mean average over the previous 12 month period, currently stands at **11.90%**, compared to **11.40%** at the previous quarter.
16. Further to discussions at the previous Personnel Committee, Elected Members requested more detailed information regarding the reasons for people leaving the organisation. The table in **Appendix B** details the reasons for leaving whole year 2014/15. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
17. As has been previously recognised, natural turnover inevitably occurs as employees reach retirement age, gain alternative employment, transfer to other employers or choose to leave work for other reasons and **Appendix B** gives some useful insight into the reasons people give for moving on.
18. This information provides details of the reasons given for leaving, divided into the previous four quarters. The most common reason for leaving in every quarter is “resignation” which covers employees who are successful in securing a new job including promotion either internally or externally; employees who choose to leave for family reasons including those who choose not to return after maternity leave or career break, and employees who choose to return to full time education.
19. The second highest reason for leaving is voluntary redundancy which given the activity around transformation of services within the County Council, is to be expected. The third highest reason is retirement which relates to those employees who can access their accrued pension benefits.
20. The use of this information is an important part of workforce planning and the need to understand why employees choose to leave allows us to identify whether specific actions are required. For example if employees are leaving from a particular area or profession, there may be a need to consider and review recruitment and retention strategies or investigate more closely the reasons for staff moving on.
21. Information is currently gathered on these reasons from a range of sources, including the BMS forms managers complete, exit questionnaires, leaver interviews and anecdotal information from our agency managed service

provider where in some cases people leave employment to pursue opportunities with other employers as part of a contingent workforce.

Redundancies:

22. When redundancies are proposed, all reasonable mitigations are considered in order to reduce the impact of post deletions arising from service review on individuals, including vacancy control, redeployment, effective workforce planning (including retraining / reskilling), reduced working hours and, wherever possible, volunteers for redundancy are given priority consideration.

23. The following table provides an update on the confirmed number of overall redundancies during the current year, as at 31st March 2015, and also the previous financial year.

	2013/14	2014/15	Total To date	%
Voluntary Redundancy	134	227	361	86.0%
Compulsory Redundancy	14	45	59	14.0%
Total:			420	

24. As at year end 2014/15 the proportion of redundancies achieved by voluntary means had increased by **1.7 percentage points** on the previous quarter.

25. As the next stage of major organisational change begins to impact it may become increasingly difficult to achieve a majority of necessary post redundancies by voluntary means moving forward.

26. The trades unions continue to work closely with management at a corporate level through the Joint Redundancy and Redeployment Working Group to ensure that the potential to reduce the number of compulsory redundancies is fully and consistently explored and maintained.

27. The range of mitigations, including the Vacancy Control and associated redeployment search, retraining and job search support will remain in place to help manage and minimise the impact on individuals, are described below:

Redeployment:

28. Every effort continues to be made to support employees at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. This includes an on-line redeployment portal for employees at risk of redundancy.

29. In comparison to the number of potential compulsory redundancies during this period the number of employees redeployed now equates to a **28.5%** success rate, compared with **33.3%** at the last quarter.
30. This declining trend is an indication of the impact of ongoing organisational change and is resulting in an overall decrease in the number of posts available for redeployment along with a reduction in available job vacancies.
31. The Council aims 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 actively committed to pro-actively assisting staff at risk of redundancy to remain in employment wherever possible and to support staff to respond positively to the impact of service and organisational change.
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 support package is continually reviewed, extended and improved, in conjunction with trades union colleagues, to reflect feedback from employees and additional events are made available, on a Countywide basis, on a demand led basis. Access to the support package extends to all employees facing change at work but those at risk are prioritised.
35. The provisions continue to be well utilised, between April 2013 and March 2015, employees made **11,339** views of information and associated support guides and documents. Since its introduction in November 2013, the Council's new on-line redundancy calculator has to date received **17,176** views in total.
36. Managers are requested to facilitate access to this information, or to bring it to the attention of employees who do not routinely have access to a computer during the course of their employment. 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.
37. In the period since the 1st April 2014 to 31st March 2015 a further **167** training and support sessions were offered, run in partnership with external providers including Job Centre Plus and Futures.
38. These sessions were attended by an additional **500** employees and **24** further events have been arranged onward, initially, up to September 2015, to support those employees identified as being at risk as a result of the most recent proposals

TUPE Transfers:

39. 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).
40. As further Service Reviews are undertaken the number of TUPE transfers out arising from the implementation of agreed alternative service models may increase.
41. Since the previous quarter there has been 1 additional transfer into the authority bringing the total number during 2014/15, to 3 and it remains the case that 71 NCC staff in total have transferred out of the authority as set out in the table below:

TUPE transfers 2014/15	In	Out
Catering and Cleaning	1	69
ASCHPP Joint Commissioning	1	
Rampton Hospital Library		2
Community Safety Team	1	
Total	3	71

Use of Agency Workers:

42. The latest quarter's figures for agency workers, consultants and interims can be found in **Appendix C**. In the latest quarter to 31st March 2015, there has been an increase of 38 agency workers overall. The majority of these are in ASCH & PP Day Services and Residential where the number has increased from 31 to 44. There has also been an increase from 64 to 70 in children's social care as set out in **Appendix D**.
43. At the previous Personnel Committee, Members requested further information on why the Council continues to use agency workers in a variety of services and locations.
44. Previous information provided has sought to explain how the effective use of agency workers can assist in reducing the number of compulsory redundancies, as has been the case with the Business Support Review and Adult Social Care, Health and Public Protection Care and Support Centres. However there are a number of other reasons why contingent workers rather than direct employees continue to be used in some areas.
45. These include securing workers with a particular skillset which is not available within the Council and which is only required for a time limited period for example investigators in Trading Standards or the SAP Payroll expert currently assisting in the Business Support Centre. In some cases there is urgent

business need for a role to be filled which does not allow for the time a full recruitment process can take.

46. Finally there are the certain service areas where there is a known shortage of experienced, qualified professionals, for example social workers in Children's Social Care. A case study describing the difficulties in this area was submitted to Personnel Committee on 21st May 2014. An updated version of this case study with some further suggestions on how the situation can be improved can be found at **Appendix D**.

Reasons for Recommendations

47. The regular provision of this information will enable Members to continue to review the impact of the Council's transformation under *Redefining Your Council* 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

48. 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

49. The trades unions are actively engaged through the Joint Redundancy and Redeployment Working Group and 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 the contents of the report.

Equalities Implications

50. 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.
51. Equality Impact Assessments are undertaken as appropriate as 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. This Committee has also received a report summarising the profile of the County Council's workforce, as at 1st April 2014, as part of an established annual reporting regime. The report 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 on the workforce continues to remain fairly constant and comparable with the representation in the local community.

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 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 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 24/04/15)

55. The report is for noting only.

Financial Comments (SES 20/04/15)

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

Human Resources Comments (CLG 9/04/15)

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

Background Papers

Trade union side comments and appendix - Ofsted Report on Children's Social Care 2013/14

Electoral Division(s) and Member(s) Affected

All