

23rd September 2015**Agenda Item: 6****REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN
RESOURCES****NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING
INFORMATION AS AT 30TH JUNE 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 to highlight trends relating to this data.

Information and Advice**Background:**

2. Workforce information enables 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.
3. The Council is committed to an integrated, structured and strategic approach to its overall workforce planning which includes an ongoing focus on:
 - talent management
 - career planning
 - succession planning
 - identification and addressing of skill gaps
 - leadership and management development
 - effective recruitment; particularly in areas of skills shortages
 - effective retention of key knowledge, skills and experience .
4. Critical to success 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.
5. This approach relies on equipping 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.

6. The new 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 2015-2018 which is under development as part of the Workforce Development Programme.

Headcount:

7. The actual County Council headcount figure for non-school based staff **as at 30th June 2015** is **8,832**. 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 **340** from **9,172**.
8. 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.
9. 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:

10. The intention of the Council's current Vacancy Control 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.
11. The Vacancy Control statistics in **Appendix A** reflect the period April 2015 to June. For the first time since the introduction of the current process the majority of vacancies in this period have been filled on a permanent basis. This is reflected in the appendix and reflects the imperative to sustainably fill qualified front line posts in both Adult and Children's Social Care.
12. Another area where permanent recruitment through the Vacancy Control process is currently high is front line posts in Traded Services functions, in particular school catering linked to the need to maintain contractual requirements relating to school meal numbers.
13. A total of 390 vacancies went through the vacancy control process with the following outcomes:
 - **Permanent – 205 posts**
 - Fixed term – 161 posts
 - Agency workers – 24 posts

Turnover:

14. The recently released Local Government Association Workforce Survey for the year 2013/14 shows that the Local Government average turnover had increased to **11.90%** from **11.40%** in the previous year.
15. The most recently available CIPFA Value For Money benchmarking data (2013/14), measures turnover through leavers, excluding redundancies. Against all the County Councils in the benchmarking group the average against this indicator is **9.70%**, whilst across all local authorities who are members of the benchmarking network, it is **10.50%**.
16. When redundancies are factored in the NCC turnover rate, calculated as the mean average over the previous 12 month period, currently stands at **10.80%**, compared to **11.90%** at the previous quarter.
17. The table in **Appendix B** incorporates details of the reasons for leaving for the first quarter of the current year and includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
18. 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 often positive, reasons and **Appendix B** gives some useful insight into the reasons people give for moving on.
19. 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.
20. 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.
21. 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.

22. 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:

23. All reasonable mitigations are considered in order to reduce the impact of post deletions arising from service review on individual employees. These include vacancy control, redeployment, effective workforce planning (including retraining / reskilling), reduced working hours and, wherever possible, volunteers for redundancy are given priority consideration.

24. The following table provides an update on the confirmed number of overall redundancies during the current year, as at 30 June 2015, and also the previous two financial years.

	2013/14	2014/15	2015/16	Overall Total To date	%
Voluntary Redundancy	134	227	19	380	85.8%
Compulsory Redundancy	14	45	4	63	14.2%
Total:	148	272	23	443	

As at 30 June 2015 the proportion of redundancies achieved by voluntary means to date was 85.8%.

25. As the next stage of major organisational change impacts it will become increasingly difficult to achieve a majority of necessary post reductions by voluntary means.

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 full range of mitigations, including the Vacancy Control and associated redeployment search, retraining and job search support remain in place to help manage and minimise the impact on individuals, these 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. 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 proving at risk employees with well supported trial period in potentially appropriate alternative posts.
30. In comparison to the number of potential compulsory redundancies during this period the number of employees identified at risk of redundancy who were redeployed significantly increased, equating to a **55.5%** success rate.
31. This should be considered in the context of the increasing percentage of all redundancies that are currently being achieved by voluntary means and it remains the case that the impact of ongoing organisational change is resulting in an overall decrease in the number of posts available for redeployment along with a reduction in available job vacancies.
32. 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:

33. The Council remains actively committed to pro-actively assisting staff at risk of redundancy to remain in its overall employment wherever possible and to support staff to respond positively to the impact of service and organisational change.
34. 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.
35. 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.
36. The provisions continue to be well utilised, between April 2013 and June 2015 employees made **11,639** views in total of the available information and associated support guides and documents, **7,469** of which were unique.

37. 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.
38. Demand for training and support sessions is currently low but is likely to increase later in the year as the impact of further organisational and service review impacts. The current suite of provision designed to support employees through change has been in place for several years and is currently under review to ensure ongoing relevance.
39. In the interim, in the period since the 1st April 2015 to 30th June 2015 a further **10** of the existing range of training and support sessions were offered, run in partnership with external providers including Job Centre Plus and Futures.
40. 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:

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. As further Service Reviews are undertaken the number of TUPE transfers out arising from the implementation of new and existing agreed alternative service delivery models will continue to increase.
43. During the first quarter of 2015/16, a further 95 employees transferred out of the authority and 1 transferred in as the following table indicates:

TUPE transfers	2014/15		2015/16 to date	
	In	Out	In	Out
Catering and Cleaning	1	69	0	95
Economic Development			1	0
ASCHPP Joint Commissioning	1	0		
Rampton Hospital Library	0	2		
Community Safety Team	1	0		
Total	3	71		

Use of Agency Workers:

44. The latest quarter's figures for agency workers, consultants and interims can be found in **Appendix C**. In the latest quarter to 30th June 2015, there has been an

increase of 18 agency workers since the previous report and a reduction of 4 consultants overall.

45. There is still high usage of agency workers in Children's Social Care with 74 of the total 236 sitting in that service. As the case study brought to the last committee sought to demonstrate, the ongoing need for agency social workers is in response to a national shortage of experienced child protection social workers.
46. Children's Social Care provides ongoing reports to Children & Young People's Committee and the Service Director has confirmed a further report will go in September. This will highlight that there are a number of ongoing initiatives aimed at reducing the reliance on agency workers which include an improved offer to support continuous professional development; mobilisation; piloting social work practice officers. These factors, in addition to the Council's recent favourable Ofsted inspection outcome are expected to assist with current attraction and retention issues.
47. The Council are actively engaged in work with councils across the East Midlands to develop a memorandum of understanding for agency social workers which will seek to ensure that there is sufficient capacity across the region and that no one council is not operating in a way to the detriment of others thus leaving children unprotected.
48. Both ASCH & PP and PPCS departments saw a reduction overall in the use of agency workers in the last quarter. There was a slight increase in the need for drivers to ensure the transport service could be maintained to vulnerable service users. Advice has been provided to the service on how recruitment responses can be improved and on where we may choose to target our recruitment efforts in future. Developing a higher profile at Recruitment Fairs has been a priority over the most recent quarter to again improve our recruitment and therefore reduce reliance on the contingent workforce.

Reasons for Recommendations

49. 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

50. 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

51. 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

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 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.
54. This Committee has also received an update report summarising the profile of the County Council's workforce, as at 1st April 2015, 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

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.

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@nottsc.gov.uk

Constitutional Comments (SMG 24/08/15)

58. Because this report is for noting only, Constitutional Comments are not required.

Financial Comments (CSB 25/08/15)

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

Human Resources Comments (CLG 05/08/15)

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

Background Papers

Trades union comments dated 10th September 2015.

Electoral Division(s) and Member(s) Affected

All