

18th March 2015**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE****NOTTINGHAMSHIRE COUNTY COUNCIL EMPLOYEE RESOURCING
INFORMATION AS AT 31ST DECEMBER 2014****Purpose of the Report**

1. The purpose of this report is to provide Elected Members with an updated quarterly overview of the position in relation to the number of people directly employed by the County Council as at **31st December 2014** and trends relating to this data. This will enable members to monitor the on-going impact of the Council's organisational transformation programme and financial strategy on its workforce.

Information and Advice**Background:**

2. The Options for Change emerging from the Council's transformation programme, *Redefining Your Council*, have significant implications for the size and nature of its future workforce.
3. The short term workforce implications of the implementation of the Council's service review proposals for 2015/16 and 2016/17 were set out in the Section 188 notice issued on 4th November 2014, reflecting the budget proposals considered by Policy Committee on 12th November.
4. This set out a potential staffing reduction of 491.79 FTE posts. A 45 day statutory consultation period followed and managers are now conducting redundancy selection or enabling processes as appropriate.
5. These processes will begin to have an impact on reported data from the next quarter onward.
6. To enable the effective monitoring and assessment of the on-going impact of organisational change and transformation on overall staffing levels, regular quarterly Employee Resourcing update reports will continue to be produced.
7. These highlight the relative impact of redundancies and associated mitigation as well as natural turnover, TUPE transfers, Vacancy Control and the use of agency staff on the overall number of employees in its direct workforce.

Headcount:

8. The County Council headcount figure for non-school based staff as at 31st December 2014 is **8,978**. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
9. Since April 2014 this represents an overall headcount reduction of **194** from **9,172**.
10. 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.

Turnover:

11. Natural turnover inevitably occurs as employees reach retirement age, gain alternative employment, transfer to other employers or choose to leave work for other reasons.
12. In these situations a vacancy occurs and due consideration is given through the Council's Vacancy Control Process, introduced in June 2013, to deleting or filling the vacant post with a redeployee in order to minimise the impact of service change on existing employees.
13. The Council is committed, for effective workforce planning reasons, to retaining key skills and experience whilst ensuring the continued supply of new skills and ideas where vacant posts are released for advertising to supplement those already within the existing workforce.
14. The latest Local Government Association Workforce Survey shows that the Local Government average turnover is **11.40%**.
15. 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%**.
16. When redundancies are factored in the NCC turnover rate is now in alignment with the median national average for local government, standing at **11.40%**, compared with a reported peak of **14.70%** at the previous quarter. There is potential for this to increase again once the full impact of the most recent Section 188 notice is realised.

Redundancies:

17. Of the **491.79 FTE** posts listed on the most recent Section 188 notice issued on 4th November 2014 **78.64 FTE** were vacant.

18. The majority of other vacancies continue to be filled on a temporary basis under the Council's Vacancy Control Process.
19. 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.
20. The following **table** provides an update on the overall number of redundancies during the current year, **as at 31st December 2014**, and the previous financial year.

	2013/14	2014/15	Total To date	%
Voluntary Redundancy	134	115	249	81.1%
Compulsory Redundancy	14	44	58	18.9%
		Total	307	

21. As the impact of major organisational change begins to be felt it will become increasingly difficult to achieve a majority of necessary post redundancies by voluntary means.
22. The table above confirms that this trend is beginning to manifest itself as, whilst the majority of redundancies arising to date, **81.1%**, were achieved through voluntary means, this compares to **85.6%** at the previous quarter.
23. 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.
24. 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:

Redeployments:

25. 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.

26. In comparison to the number of potential compulsory redundancies during this period the number of employees redeployed now equates to a **33.3%** success rate, compared with **34%** at the last quarter.
27. This trend is also an indication of the impact of major organisational change with a continuing overall decrease in the number of posts available for redeployment along with a reduction in available job vacancies.
28. 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:

29. 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.
30. 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.
31. 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.
32. The provisions continue to be well utilised, between April 2013 and December 2014, employees made **10,901** 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 **15,220** views.
33. 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.
34. In the period since the 1st April 2014 to 31st December 2014 a further **135** training and support sessions were offered, run in partnership with external providers including Job Centre Plus and Futures.
35. These sessions were attended by an additional **409** employees and **36** further events have been arranged onward up to July 2015 to support those employees identified as being at risk as a result of the most recent proposals.

Vacancy Management:

36. Revised Vacancy Control arrangements, implemented from 3rd June 2013, ensure a greater robustness and consistency of vacancy management to enable further 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.
37. The Vacancy Control statistics in **Appendix A** reflect the period September to December 2014. During this period **349** vacancies were processed with the following outcomes:
- Permanent – 194 posts
 - Fixed term – 131 posts
 - Agency workers – 24 posts
38. Of the **194** permanent posts advertised, **74** relate to the Transport, Property and Environment Service, predominantly as a consequence of the introduction of the Universal Free Schools Meals Service.

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. So far in 2014/15, **71** NCC staff in total have transferred out of the authority whilst **2** employees transferred into 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
Total	2	71

Use of Agency Workers:

42. The latest quarter's figures for agency workers, consultants and interims can be found in **Appendix B**. The figures collated on 31st December 2014 show a slight increase from **169** to **179** agency incumbents.
43. As previously reported, there continues to be a significant number of agency workers within Children's Social Care. The most recent quarter has seen an

increase of **6** from **58** to **64** mainly to cover vacancies. Recruitment is ongoing and we have little problem in recruiting newly qualified social workers. There continues to be an issue with retaining these recruits once they have completed their Assessed and Supported Year of Employment (ASYE). Work is ongoing to explore how our performance in this area can be improved.

44. There has also been an increase of **9** in ASCH & PP. This is due to the use of longer term agency workers in Day Services as posts are not being recruited to permanently to protect vacancies for those potentially facing redundancy later this year.
45. The other area which has seen a slight increase is Business Support where there are an additional **9** agency workers in post. This is due to the appointment of a number of permanent staff in this area to the Social Work Support Officer roles currently being piloted within Children's Social Care. This pilot was approved by the Children and Young People's Committee on 8th December 2014 and is expected to deliver further reductions in the number of agency social workers. The pilot is due to run from February to October 2015.
46. The managed service provided by Reed went live on 10th November 2014 with a phased implementation. Children's Social Care was the final area to align current incumbents and this took place on 1st February 2015. The staggered implementation meant that any initial difficulties with the transition to the new arrangements for hiring managers and timesheet approvers could be addressed before the process was rolled out to the whole organisation. It also allowed time to complete sensitive negotiations with the two largest providers of qualified agency social workers to bring them on board the managed service with the attendant alignment to the consistent contractually agreed rates.
47. Further information will be brought to Personnel Committee in May 2015 when there will have been a full quarter of all agency requirements going through the managed service. An update will be provided on how the new arrangements are meeting the identified benefits outlined in the report to this Committee on 23rd January 2013.
48. For completeness, there was a reduction in both PPCS and Environment and Resources departments on the use of agency workers in the quarter to 31st December 2015.

Next Steps:

49. 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 a structured and strategic approach to its overall workforce planning. This will include:
 - talent management
 - career planning
 - leadership and management development
 - effective recruitment

- effective retention

50. 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.

51. This will be reflected in the Council's new Workforce Strategy for 2015-18 which is being developed to support the delivery of the Workforce Development Programme of the Council's cross cutting transformation portfolio.

52. This new organisational design model will require a flexible workforce responsive to supply and demand and will inevitably impact on the future headcount of directly employed staff.

Other Options Considered

53. A wide range of options and actions have been considered as set out in the body of the report.

Reasons for Recommendations

54. 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

55. 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

56. 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

57. 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.

58. 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.
59. 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

60. 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.
61. 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:

1. Note the updated employee resourcing information and trends contained within this report, including the use of agency staff, consultants and interims.
2. Note the relative impact of redundancies and associated mitigations, natural turnover, vacancy control and TUPE transfers on the overall number of employees.
3. Note the range of mitigating measures and support provisions put in place to minimise the impact in respect of compulsory redundancies.

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Constitutional Comments (LMcC 19/02/2015)

62. The report is for noting only.

Financial Comments (NDR 19/02/2015)

63. The financial implications are referred to in paragraphs 54 and 55 of the report.

Human Resources Comments (CLG 9/02/15)

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

Background Papers

None

Electoral Division(s) and Member(s) Affected

All