

10th March 2016**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN
RESOURCES****NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING
INFORMATION AS AT 31ST DECEMBER 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. The Council is committed to an integrated, structured and strategic approach to its overall workforce planning. 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. 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.
4. 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.
5. 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 2016-2018 which is currently under development.

Headcount:

6. The actual County Council headcount figure for non-school based staff as at 31st December 2015 is **8,825**. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees. Since April 2015 this represents an in year overall headcount reduction to date of **43** 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 of the Council with resultant redundancies and transfer out of some staff, as well as natural turnover and retirement.
8. As part of its budget proposals, on 1st December 2015 the Council issued its latest Section 188 notice listing 182.21 FTE posts for potential deletion by 1st April 2016, of which 75.32 FTE are already vacant.
9. Moving forward, there may 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 1st April 2016 onward.

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** reflects the period September to December 2015 inclusive and reflect the new departmental structure implemented from 1st September 2015. The majority of vacancies in this period have been filled on a permanent basis. This is reflected in the appendices and reflects the ongoing 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 continues to be 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 287 posts went through the vacancy control process with the following outcomes:
 - Permanent – **128** posts
 - Fixed term – 156 posts
 - Agency workers – 3 posts

Turnover:

14. 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.
15. Given the activity around transformation of services within the County Council redundancies are to be expected and when these are factored in the NCC turnover rate, including redundancies, calculated as the mean average over the previous 12 month period, currently stands at **8.90%** compared to **9.50%** at the previous quarter.
16. This is against the most recently reported Local Government average of **11.90%** as at 31st March 2014 (more current data for year end 2015 is still awaited).
17. The table in **Appendix B** incorporates details of the reasons given for leaving over the 12 month period up to 31st December 2015 and includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
18. As indicated, the most common reason for leaving by a considerable margin continues to be “resignation” at their request. This category has been broken down further to provide more detailed data, using the categories specified on NCC leaver forms and as recorded by managers on the Business Management System, as follows:

Resignations October – December 2015	
Reason:	Number:
Return to Education/Retraining	0
Following Career Break	2
Following Maternity Leave	3
Job Related Reasons	23
Personal Reasons inc. new job with other employer	87
Not known	0
Total:	115

19. The second highest reason for leaving continues to be retirement which relates to those employees who can access their accrued pension benefits and the third highest is voluntary redundancy.
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. In response to its budget pressures, a Section 188 notice was issued by the Council on 1st December 2015 listing 182.21 FTE posts for potential deletion. Following the conclusion of the statutory 45 day consultation period, the Council will continue to consider all reasonable mitigations in order to reduce the impact of the post deletions arising on individual employees.

23. These measures 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 to date, as at **31st December 2015**, and also the previous two financial years.

	2013/14	2014/15	2015/16	Overall Total To date	%
Voluntary Redundancy	134	227	47	408	85.54%
Compulsory Redundancy	14	45	11	70	14.6%
Total redundancies	148	272	58	478	

25. Whilst the overriding majority of all redundancies arising from necessary post reductions to achieve savings and/or redesign services continue to be achieved by voluntary means, as major organisational change impacts further it will become increasingly difficult to maintain this.

26. The trades unions continue to work closely at a corporate level with management to jointly consider the impact and the potential to improve mitigations to reduce the number of compulsory redundancies. This is now undertaken through the Corporate Joint Consultative and Negotiating Panel (CJCNP), where redundancy and redeployment is a standing item for each meeting.

27. The full 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. The current outcomes of these processes are described below.

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 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 3 the number of employees identified at risk of redundancy who were redeployed equated to **75.00%**, a considerable increase compared with **55.30%** at the previous quarter. This success rate must be viewed in the context that only **11** additional employees were put at risk of redundancy in the reporting period concerned.
31. The issue of a Section 188 notice in December 2015 is likely to significantly increase numbers seeking redeployment during quarter 4 of 2015/16. This will impact on the feasibility of identifying redeployment opportunities and the redeployment success rate is likely to revert to previous levels, or below given that vacant posts are increasingly being identified to contribute to savings.
32. 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:

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 December 2015 employees made a total of **7970** 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. The provision of training and support sessions for employees is based on estimated demand which is likely to increase later in the financial year as the impact of further organisational and service review impacts. The current suite of provision designed to support employees through change is regularly reviewed and updated to ensure ongoing relevance.
39. In the period from 1st April to 31st December 2015 a total of **16** training and support sessions were delivered in partnership with external providers including Job Centre Plus and Futures. These sessions were attended by **131** employees and **14** further events have been offered for the period Jan - March 2016.

TUPE Transfers:

40. 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).
41. The number of TUPE transfers out arising from the implementation of new and existing agreed alternative service delivery models will increase significantly from 1st April 2016 impacting significantly on the overall headcount of the Council's direct workforce moving forward.
42. Currently activity remains minimal, during the reporting period ending 31st December 2016 with only 3 further employees transferring out of the authority as the following table indicates:

TUPE transfers	2014/15		2015/16 to date	
	In	Out	In	Out
Catering and Cleaning	1	69	0	102
Economic Development			1	0
ASCHPP Joint Commissioning	1	0		
Rampton Hospital Library	0	2		
Community Safety Team	1	0		
Ranby Prison Library				3
Total	3	71	1	105

Use of Agency Workers:

43. The latest quarter's figures for agency workers, consultants and interims can be found in **Appendix C**. The quarter to 31st December 2015 has seen an increase of 45.8 agency workers since the previous report and a reduction of 1 consultant overall.

44. The reported difficulties regarding high usage of agency workers in Children's Social Care remain with a further increase of 4 qualified social workers from the previous quarter. Further efforts are ongoing to reduce the reliance on agency social workers but the nationally recognised difficulties continue to present significant challenges to achieving this. Management challenge panels will take place throughout February to review the circumstances of every individual agency placement in Children's Social Care.
45. There is an increase in usage in Adults Social Care and Health with the figure rising from 70 to 113.4 over the last quarter. Some of the increase in longer term use can be explained by the need to complete Best Interest Assessments but also with the extended placements of some agency workers to cover in residential and day services to ensure vacancies are held for displaced staff resulting from the closure programme beginning with Kirklands. Posts in this establishment appear on the current Section 188 notice and in adopting this approach we are seeking to minimise the possibility of compulsory redundancies as we are legally obliged to do.
46. The increased figure for the Resources department is due to cover being required for seconded business support workers who are predominantly supporting Children's Social Care with some additional resources supporting Deprivation of Liberty and Best Interest Assessments in Adult Social Care and Health. A final decision is awaited on a pilot project within Children's Social Care which will normalise the situation as seconded employees will either be confirmed in post or return to their previous substantive roles.
47. There have been a further decrease in the use of agency workers in the Place department of 19.61 FTEs. There is some interim support to maintain current construction projects but this will resolve at the point the Highways joint venture goes live.
48. Monitoring of agency usage continues to be a key part of the vacancy control process and managers are challenged on an ongoing basis regarding extension requests for agency placements.

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 You 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 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.
- 52. 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

- 53. 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.
- 54. 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.
- 55. This County Council's current Workforce Profile Information report, as at 1st 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

- 56. 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.
- 57. 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 (SLB 03/02/16))

58. This report is for noting only.

Financial Comments (SES 02/02/16)

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

Human Resources Comments (CLG 04/1/16)

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

Background Papers

Trades union side comments – 25th February 2016

Electoral Division(s) and Member(s) Affected

All