



Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE

**NOTTINGHAMSHIRE COUNTY COUNCIL EMPLOYEE RESOURCING
INFORMATION**

Purpose of the Report

1. The purpose of this report is to provide Elected Members with an updated overview of the position in relation to the number of people directly employed by the County Council as at **31st October 2013** and trends relating to this data to enable members to monitor the on-going impact of the Council's service review programme and financial strategy on its workforce.

Information and Advice

Background:

2. An annual update report setting out how the overall staffing levels of the County Council had changed between August 2009 and August 2013 was considered by Personnel Committee on 11th September 2013.
3. During this first phase of service review:
 - the number of people employed by the Council reduced by 3027, an overall headcount reduction of around 24%
 - of all posts for proposed deletion, listed on a series of Section 188 notices, a total of 681 full time equivalent (FTE) were vacant and were deleted
 - 220 of all posts deleted were Senior Management roles
 - 1516 of the people leaving the Council did so due to redundancy, the majority, over 84.4% of which were voluntary
 - the remainder of these reductions reflect natural turnover, retirement or the impact of the transfer of some services to other providers.
 - The application of vacancy control measures resulted in the successful redeployment of 46% of those people at risk of redundancy being redeployed to alternative jobs within the Council.

4. The Council's recent budget proposals for the three years up to and including 2016/17 will continue to impact on the number and nature of its direct workforce.
5. The initial impact on proposed post reductions was set out in the Section 188 notice issued on 5th November 2013 which lists 758 fte posts potentially at risk as part of the 2014/15 budget savings.
6. In order that the on-going impact on overall staffing levels can be monitored and assessed, it was agreed that update reports highlighting the relative impact of redundancies and associated mitigations, natural turnover, vacancy control and TUPE transfers on the overall number of employees, be submitted to Personnel Committee on a quarterly basis.

Headcount

7. The current County Council headcount figure for non-school based staff as at 31st October 2013 is **9,460**. This includes directly employed permanent staff and staff on fixed term contracts. These figures exclude relief, supply and casual employees.
8. The trend in the overall headcount figures since July 2009 up to 31st October 2013 can be identified from the table in **Appendix A** of this report.
9. Whilst these figures indicate a headcount increase of **59** since the last reporting period, these are primarily part time employees and the actual full time equivalent (fte) is 11. Under the Council's Vacancy Control procedures, new appointments are normally made on a temporary, fixed term basis.
10. The ongoing overall reduction is due to a number of reasons including the implementation of the service review business cases and organisational re-design of the Council with resultant redundancies and transfer out of some staff, natural turnover and retirement. .
11. The impact of the implementation of the savings proposals set out in the Council's Outline Business Cases, out for public consultation until 17th January 2014, were reflected in the Section 188 notice issued on 5th November 2013. This set out a further proposed reduction of **758 fte** posts, with internal consultation running up to 19th December 2013, with outcomes subject to enabling and redundancy selection processes.
12. This ongoing process will have a significant further impact on headcount numbers over the next few months which will be reported in detail to a future meeting of this Committee once these processes have run their course and a final picture is established.

Turnover:

13. In addition to those leaving the organisation as a result of staffing reductions; natural turnover inevitably occurs as employees reach retirement age, gain alternative employment, transfer to other employers or choose to leave work for other reasons.
14. 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.

15. 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.
16. For the 12 months up to 31st October 2013 the Council's turnover rate was at 10.62%. This is in the context of the Local Government average turnover for 2011/12 of 12%. Updated figures across Local Government for turnover rates for 2012/13 are still awaited.
17. It is anticipated that the development of new operating models and organisational service review and redesign will continue to impact on natural turnover with some employees opting to leave the organisation or retiring earlier than they might otherwise have done.

Redundancies:

18. Of the 758 fte posts listed as being potentially at risk on the most recent published Section 188 notice, **268 fte** were already vacant and will be deleted from the Council's structure.
19. As set out in paragraph 11 above, the final impact of the post reductions listed in respect of voluntary and compulsory redundancies cannot yet be fully reflected in this report.
20. 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), and wherever possible volunteers for redundancy are given priority consideration.
21. The trades unions continue to work closely with management at a corporate level through a Joint Redeployment and Redundancy Working Group to ensure that the potential to reduce the number of compulsory redundancies is fully and consistently explored.
22. The following table provides an update on the redundancies arising as a result of the implementation of Section 188 notices issued by the Council since 2009.

	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013/14*	Total*	%
Voluntary Redundancy	119	402	535	199	47	1302	84.4 %
Compulsory Redundancy	62	63	94	11	11	241	15.6 %
Total redundancies						<u>1543</u>	

*2013/14 figures as at 31st October 2013, subject to year-end update.

23. The table confirms that the majority of redundancies arising to date continue to be achieved through voluntary means.
24. It is likely that as the impact of the most recent post reductions are felt, the proportion of redundancies which are compulsory will rise given the age profile of the current NCC workforce, which is currently age 47, and the reduced number of available vacancies for redeployment. That is despite the re-launch of the Voluntary Redundancy Provisions on 6th

November 2013. To address this as far as possible, a range of mitigations, described below, including the refreshed Vacancy Control Process to reserve vacancies for staff at risk of redundancy and associated redeployment search, retraining and job search support remain in place to help manage and minimise the impact on individuals.

Redeployments:

25. Every effort continues to be made to support employees at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. The following table provides an in year update on the number of employees redeployed since 2010/11 when redeployment data began to be captured:

Year	Number of employees redeployed
2010/11	34
2011/12	86
2012/13	27
2013/14*	7
Total*	154

*2013/14 figure subject update

26. In comparison to the number of potential compulsory redundancies from 2010/11 onwards, there has been an overall 46% success rate. This figure should be viewed in the context of an overall decrease in the number of posts available and available job vacancies.
27. 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.
28. Consideration has been given to how this might be extended and improved and the range of current provision is reflected in the table at **Appendix B** to this report. This has been developed in conjunction with trades union colleagues and reflects feedback from employees and is constantly reviewed and added to on a demand led basis.

Other support for employees at risk of redundancy:

29. In order to pro-actively assist staff at risk of redundancy to remain in employment wherever possible, a dedicated intranet site offers a range of on-line support and guidance covering a wide range of topics. Since the last headcount report this has been improved and consolidated into a more accessible format in response to feedback from managers and employees.
30. These support provisions, which range from career planning, CV writing and interview skills, dealing with change to planning for retirement and financial management, continue to be very well utilised. Between April 2013 and October 2013, employees made a further 1761 views of information and associated support guides and documents.
31. Initial response analysis following the publication of the most recent section 188 notice in November indicates that there were 2752 views of this information in November alone. A

newly developed on-line redundancy payment calculator also received 9415 views during this month.

32. Managers are requested to facilitate access to this information or to bring this 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.
33. Since 31 October 2013 there have been 41 further training and support sessions offered, including some run in partnership with external providers including Job Centre Plus and Futures.
34. These were attended by an additional 80 employees and 35 further events have already been arranged for the rest of the financial year to support those employees identified as being at risk as result of the most recent proposals. Access to the support package has also recently been extended to all employees facing change at work (**see appendix B**) but those at risk are prioritised. Additional events will be arranged according to demand.

Vacancy Management:

35. Revised Vacancy Control arrangements, reported to Elected Members in detail at the Personnel Committee meeting in June, were implemented from 3rd June 2013. The new measures will 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.
36. Of the general posts listed on all the Section 188 notices issued to date since 2009, **681** in total were identified as vacant at the time the notices were served. That is, their deletion did not place an employee at risk of redundancy.
37. In addition, post reductions were identified across the board in business support and management and supervision posts. A number of these posts were also vacant but were not individually identified on the Section 188 notices. These vacancies contributed to the implementation of the redesigned business support functions and overall **27%** reduction in the number of management and supervision posts across the County Council to date.

TUPE Transfers:

38. 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).
39. As reported to Personnel Committee in September 2013, **414** NCC staff had transferred out of the authority and **60** into the authority, a net reduction of **354** heads. This figure has not changed over the last quarter.

Agency Workers

40. It was agreed by Personnel Committee that a report identifying the level of agency worker usage would be supplied on a quarterly basis. The use of agency workers requires the same level of approval as the recruitment of permanent or temporary staff through the vacancy control process. Details of the snap shot report of levels of agency usage can be found at **Appendix C**.
41. The changing ratio between permanent and temporary workers, including those supplied through agencies, creates new management challenges but also presents a real opportunity for genuine flexibility in our resourcing model both in the short and medium term. This requires further exploration as part of the Council's developing Workforce Strategy for 2014 - 18.
42. The figures indicate that there were **247** agency workers in the organisation on 31 December 2013. Analysis is currently being undertaken directly with managers to understand how many of these were providing essential cover or additional capacity over and above the agreed establishment for the procuring service. The use of agency workers across the Council is usually in response to the need to provide essential expertise and flexibility to support the permanent workforce on a fluctuation basis in certain high profile services, often to ensure statutory compliance, for example in Children's Social Care. Further work will be undertaken to more fully understand the reasons and patterns for use of agency workers across the board in order to inform our resourcing and workforce development strategies going forward.
43. Having identified the reason for the agency worker, discussions are then taking place to ensure that effective exit strategies and timescales are in put in place as appropriate. This approach will enable front line service delivery to continue whilst minimising costs and ensuring that posts are available for redeployment of employees at risk going forward
44. Analysis of the snap shot agency placement report as at 31 December 2013 also indicates that there are a significant number of agency workers covering business support roles in some parts of the Council. Given that a significant number of this type of post are potentially at risk across the Council, work is in hand to review these arrangements in the context of the new locality based operating models being developed across Children's and Adult's services and the savings proposals in other areas of the Council.
45. At Personnel Committee on 23rd January 2013, Members agreed proposals to rationalise the manner in which agency workers are procured moving forward and this work is in progress across the Authority. We are moving towards a managed service provider model which is being tendered through the Eastern Shires Purchasing Organisation (ESPO), framework. In addition to reducing costs this approach is intended to provide greater control and more overview and effective control of agency workers across the board.

Next Steps

46. Every effort will continue to be made to use new and existing requests for voluntary redundancy; to prioritise vacancies for use as redeployment opportunities for staff at risk of

redundancy and to retrain and reskill displaced employees to improve their chances of successful redeployment

47. In common with all Local Government employers, in order to respond to the increased financial challenge facing the County Council over the next three years and into the future, this Council will need to find new ways of ensuring that it has the right skills sets deployed in the right places in a flexible model that transcends traditional organisation boundaries, including through the exploration of potential for shared services and commissioning.
48. This model will create a more flexible workforce that may be employed across a range of entities, responsive to workforce supply and demand, often across a range of employing organisations. This will be driven through the Council's Workforce Strategy for 2014-18 and will inevitably impact on the headcount of directly employed staff.

Other Options Considered

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

Reasons for Recommendations

50. The provision of this information will enable Members to review the impact of the Council's service review programme and financial predictions in terms of the numbers of people directly employed by the organisation. Further regular update reports will be submitted on a six monthly basis. Information in relation to the profile of the Council's workforce will continue to be monitored in line with statutory reporting requirements and members updated on this through annual reports to Personnel Committee.

Statutory and Policy Implications

51. 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

52. The human resources implications are implicit in the body of the report. The trades unions are actively engaged through a 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.
53. Trades union colleagues have commented at length on the specific contents of the report. These matters will be discussed in more detail at the Joint Redundancy and Redeployment Working Group which trades union colleagues indicate that they value as a forum. It has also been agreed that further discussions will take place at the appropriate time at the Central Joint Consultative and Negotiating Panel on the development of the Council's future operating model and Workforce Strategy to support this.

Equalities Implications

54. 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.
55. 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.
56. Personnel Committee on 6th November 2013 received a report summarising the profile of the County Council's workforce, as at 31st March 2013 as part of an established annual reporting regime. The report cross references the fall in the number of posts and employees since 2010 and highlights that despite this, 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

57. 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.
58. 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 Elected Members note:

1. The updated employee resourcing 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 put in place to minimise the impact in respect of compulsory redundancies.

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Constitutional Comments (KK 23/12/13)

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

Financial Comments (NR 23/12/13)

60. There are no financial implications arising directly from this report.

Background Papers

Trade union side comments.

Electoral Division(s) and Member(s) Affected

All