



**30 November 2016**

**Agenda Item: 4**

## **REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN RESOURCES**

### **NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING INFORMATION AS AT 30<sup>TH</sup> SEPTEMBER 2016**

#### **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 regular collection and analysis of a range of corporate workforce information enables the Council to effectively monitor the ongoing impact of organisational change and transformation on the number and nature of its staff and assist it to predict and forward plan its future workforce requirements.
3. Critical to this is accurately establishing 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 developing a structural model and organisational culture which broadens the definition of the Council's workforce and enables it to be more mobile and flexible in working across the whole Council and with partner organisations through effective cross skills training and development.
5. It also necessitates adopting a more systematic approach to retraining, redeployment and career development which includes identifying horizontal, rather than vertical, career opportunities as set out within the framework of the Council's Workforce Strategy for 2016-18.

##### **Headcount:**

6. The County Council headcount figure for non-school based direct employees as at 30<sup>th</sup> September 2016 was **7,535**. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.

7. In the 12 months since September 2015 this represents an overall headcount reduction to date of **1,254** from **8,789**. This reflects a number of reasons including the implementation of Service Reviews and organisational re-design with resultant redundancies, in addition to natural turnover and retirement.
8. In addition to the Libraries and Archives employees who transferred into the Inspire community benefits society on 1<sup>st</sup> April 2016, this quarter's report reflects the further impact on headcount of the TUPE transfer out of **636** former Highways and **70** Property employees to the Via and Arc joint ventures respectively.

### **Vacancy Management:**

9. The Council's established Vacancy Control arrangements continue to be applied, these are designed to ensure robustness and consistency of vacancy management to enable agreed post reductions to be made with the minimum number of compulsory redundancies by providing redeployment opportunities for employees at risk of redundancy.
10. The Vacancy Control statistics in **Appendix A**, which reflect the period July to September 2016 inclusive, indicate that overall during this quarter a number of vacancies submitted through the centralised recruitment process have been filled on a permanent basis.
11. This includes the ASCHPP department which has a rolling programme of recruitment to a supply register for Occupational Therapists, Community Care Officers and Social Workers and an exercise in CFCS to recruit to 50 hour per week Youth Support Worker posts, each at only 2.5 hours per week.

### **Turnover:**

12. A degree of turnover is expected and is healthy for an organisation in respect of refreshing its skills base and diversity. 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.
13. Service review processes continue to generate both compulsory and voluntary redundancies. As set out in **Appendix B**, the number of employees leaving as a result of compulsory and voluntary redundancies during the quarter, **6** in total, has fallen significantly since the previous quarter. This reflects the fact that the impact of the previous Section 188 notice had largely been exhausted by this reporting period.
14. The NCC turnover rate for quarter 2, including redundancies, calculated as the mean average over the previous 12 month period, currently stands at **11.46%**, compared to **15.58%** at the previous quarter, averaging **10.88%** for the whole 12 month period from October 2015.
15. The most recently reported Local Government average turnover increased from **11.90%** to **13.4%** as at 31<sup>st</sup> March 2015.

16. The table in **Appendix B** sets out details of the reasons given for leaving over the 12 month period up to 30<sup>th</sup> September 2016, it includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
17. As indicated, the most commonly recorded reason for leaving in this quarter continues to be “resignation”. This category has been broken down further in the table below to provide more detailed data, using the categories specified on NCC leaver forms and as recorded by managers on the Business Management System. A significant majority continue to leave for personal reasons including employees moving on to employment with other organisations:

<b>Resignations April 2016 to September 2016</b>	
<b>Reasons for leaving</b>	<b>Number:</b>
Return to Education/Retraining	6
Following Career Break	1
Following Maternity Leave	1
Job Related Reasons	25
<i>Not Known</i>	7
Personal Reasons Inc. new job with other employer	121
<b>Total:</b>	<b>161</b>

18. The next most prevalent reason for leaving during the quarter is retirement (**26** out of a total of **216**), which relates to those employees aged 55 or over who can access their accrued pension benefits.
19. Gathering quantitative turnover data is an important workforce planning tool, there is also a need to understand why employees choose to leave the Council and identify whether specific actions to address this are required. This may lead to consideration of recruitment and retention strategies or investigation more closely the reasons for staff moving on.
20. Exit interviews can provide a valuable source of qualitative information about the reasons that employees are leaving from a particular area or profession and inform further work within the service on identifying the impact of a range of recruitment and retention measures.
21. Anecdotal information from our agency managed service provider also indicates that in some cases people leave employment to pursue opportunities with other employers as part of a contingent workforce.

#### **Redundancies:**

22. The Council continues to consider all reasonable mitigations to reduce the impact on individual employees of the post deletions arising from service reviews.
23. The following table provides an update on the confirmed number of overall redundancies during the current financial year, as at **30th September 2016**, and also the preceding three financial years.

	2013/14	2014/15	2015/16	2016/17	Overall Total to date	%
<b>Voluntary Redundancy</b>	134	227	64	45	470	<b>74%</b>
<b>Compulsory Redundancy</b>	14	45	30	76	165	<b>26%</b>
<b>Total Redundancies</b>	148	272	94	<b>121</b>	<b>635</b>	

24. The 45 voluntary redundancies in-year since 1st April 2016 equate to 36.1.fte posts and the 76 compulsory redundancies over the same period to 36.7 fte.

25. The trades unions continue to work closely at a corporate level with management to consider the potential for further mitigations to reduce the number of compulsory redundancies arising from service review. The range of existing mitigations, will remain in place to help manage and minimise the impact on individuals. These include vacancy control, redeployment search, effective workforce planning (including retraining / reskilling), reduced working hours, prioritising volunteers for redundancy wherever possible and job search support and are described below.

#### **Redeployment:**

26. 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 access to the Council's on-line redeployment portal for employees at risk of redundancy.

27. 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.

28. Ongoing organisational transformation has inevitably affected the number and range of vacant posts available for the redeployment of at risk employees. In this context 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:**

29. A dedicated intranet site offers an extensive package of information and training, support 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. 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.

30. This support package is also available to support all staff to respond positively to the impact of service and organisational change but those identified as being at risk are prioritised. Content is continually reviewed to assess demand and revised, in consultation with trades union colleagues, to reflect feedback from employees.
31. In addition the coaching provision now available to all NCC employees through the Council's in-house Coaching network, can be accessed by employees affected by change to support them to identify their future career options.
32. Support provisions continue to be well utilised. Between April 2013 and September 2016 employees have made a total of **10,483** unique views of the available information and associated support provisions.
33. Whilst the eLearning and information element is constantly available the availability of learning events and sessions is based on estimated demand which fluctuates dependent on the degree of impact arising from associated service changes.
34. In the period from 1<sup>st</sup> July 2016 to 30<sup>th</sup> September 2016 a further **8** training and support sessions were delivered in partnership with external providers including Job Centre Plus and Futures. These sessions were attended by **63** employees.
35. In response to estimated demand arising from the issue of the most recent Section 188 notices, provision has been reviewed to ensure that anticipated demand can be met. A further **26** events are currently offered for the period October – March 2017 and will continue to be reviewed on an ongoing basis as actual demand is established.

#### **TUPE Transfers:**

36. The overall impact of staffing reductions on the Council's overall workforce headcount needs to be considered in the context of fluctuations arising from the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).
37. The TUPE transfers have arisen from the implementation of alternative service delivery models and during the course of 2016/17 have impacted significantly on the overall headcount of the Council's direct workforce.
38. This quarter's data reflects the transfer out of Property employees to the Arc joint venture and Highways employees to the Via Joint Venture.

TUPE transfers	2014/15		2015/16		2016/17	
	In	Out	In	Out	In	Out
Catering and Cleaning	1	69	0	121	4	<b>77</b>
Economic Development			1	0		

ASCHPP Joint Commissioning	1	0				
Rampton Hospital Library	0	2				
Community Safety Team	1	0				
Ranby Prison Library				3		
Inspire						485
Property						70
Highways						636
<b>Total</b>	<b>3</b>	<b>71</b>	<b>1</b>	<b>124</b>	<b>4</b>	<b>1,268</b>

### Use of Agency Workers:

39. The latest quarter's figures for the overall use of agency workers, consultants and interims is set out in **Appendix C** to this report. The quarter to 30<sup>th</sup> September 2016 has seen an overall reduction in the use of agency, interims and consultants from **278.4** to **255.8** full time equivalents (fte).
40. Whilst this shows an overall further reduction of **22.6 fte** there has been a slight increase of **5.6 fte** agency workers. The increase is primarily in ICT to cover vacant roles whilst new structures are consulted on and populated, including a number of project manager roles delivering technically specialised transformation. Appropriate arrangements for knowledge transfer are being put in place from any temporary arrangements.
41. The Customer Service Centre has experienced a need to have urgent additional resources in place to address increased calls over changed arrangements for the use of recycling centres. There has also been some volume recruitment which has been supported by our agency managed service provider, Reed, to enable managers to bring in a consistent standard of candidates for interview at short notice.
42. Members have previously highlighted their interest in the use of agency workers in children's social care and a request was made at the last Committee for further benchmarking data to substantiate the contention that recruitment and retention issues for experienced, qualified child protection social workers is not a problem unique to Nottinghamshire but an issue of national concern.
43. Nottinghamshire County Council participates in an annual East Midlands Data Collection exercise. This was most recently undertaken in December 2015 when the average regional agency rate calculated as agency workers as a percentage of both employed and agency social workers was **21%**, the same figure Nottinghamshire had at the time.
44. The Council's percentage figure has now reduced to **18.82%** as at 30<sup>th</sup> September 2016.

45. A further regional data collection exercise will shortly take place and more current comparable data will be shared with this Committee when this has been collated and analysed early next year.
46. The figures for ASCHPP have risen slightly by **5.1 fte**, this increase relates to Direct Services and is due to meeting statutory staffing requirements in the care and support centres.
47. The overall reduction in the Place department reflects the transfer of responsibilities for Highways and Property into Via and Arc respectively.

### **Reasons for Recommendations**

48. The regular provision of this information will enable Members to continue to review the impact of the Council's transformation programme in terms of the numbers of people directly employed by the organisation.

### **Statutory and Policy Implications**

49. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working 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**

50. 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 particularly the lower than average turnover which suggests that staff value the Council's employee support measures and the benefits of working for the Council.
51. The trade unions are particularly supportive of the measures in place to support staff at risk of redundancy and the good links the Council has with outside organisations enabling further training and support.

### **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 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.

54. This County Council's current Workforce Profile Information report, as at 1<sup>st</sup> April 2016, illustrates that ongoing reductions in the headcount of the direct NCC workforce have not had a direct or negative impact on the overall diversity profile of the remaining workforce.

### **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 current 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.

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**Constitutional Comments (KK 07/11/16)**

57. The proposals in this report is within the remit of the Personnel Committee.



**Financial Comments (SES 08/11/16)**

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

**Human Resources Comments (CLG 17/10/16)**

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

**Background Papers and Published Documents**

Trades union side comments – date

**Electoral Division(s) and Member(s) Affected**

All