

REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE**NOTTINGHAMSHIRE COUNTY COUNCIL EMPLOYEE RESOURCING
INFORMATION AS AT 30TH JUNE 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 **30th June 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 workforce implications of the implementation of the Council's savings proposals for 2014/15 were reflected in the Section 188 notice issued on 6th November 2013 which set out a potential staffing reduction of **758 fte posts**.
3. Moving forward, the Council's transformation programme, *Redefining Your Council*, will have a further significant impact on the number and nature of its direct workforce.
4. To enable the effective monitoring and assessment of the on-going impact of organisational change and transformation on overall staffing levels, regular Employee Resourcing update reports will be produced. These will highlight the relative impact of redundancies and associated mitigations, natural turnover, TUPE transfers, Vacancy Control and the use of agency staff on the overall number of employees in its direct workforce.
5. These reports will be submitted to Personnel Committee on a quarterly basis.

Headcount:

6. The County Council headcount figure for non-school based staff as at 30th June 2014 is **9079**. 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 overall headcount reduction of 93 from 9172**.
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. The process of enabling and selection for redundancy arising from the issue of the most recent Section 188 notice continued to have an impact on headcount numbers into the first quarter of 2014/15.

Turnover:

9. Natural turnover inevitably occurs as employees reach retirement age, gain alternative employment, transfer to other employers or choose to leave work for other reasons.
10. 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.
11. 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.
12. The latest Local Government Association Workforce Survey shows that the Local Government average turnover is **11.40%**.
13. As at 30th June 2014 the Council's natural turnover rate, including reasons other than redundancy and for reasons such as resignation, retirement, end of fixed term contract, death in service or dismissal, is now **10.40%**.
14. Retirements and resignations have remained relatively stable compared with the previous quarter. When redundancies are factored in the turnover rate is **13.00%** reflecting the fact that a high proportion of redundancies arising from the Section 188 notice were actioned, following the application of due process, in the first quarter of the current financial year.
15. The Council uses CIPFA Value for Money Indicator benchmarking data to underpin the identification of priorities for service review as part of the work under the *Redefining Your Council* programme. In the most recently available CIPFA data, which includes schools and is for 2012/13, the indicator most closely related to turnover measures 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. 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:

17. Of the **758 fte** posts listed on the most recent published Section 188 notice, **268** were vacant. The majority of other vacancies are being filled on a temporary basis under the Vacancy Control Process.
18. 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.
19. The following **table** provides an update on the overall number of redundancies during the current year, as at 30 June 2014, and previous financial year.

| | 2013/14 | 2014/15 | Total To date | % |
|------------------------------|---------|--------------|---------------|-------|
| Voluntary Redundancy | 134 | 31 | 165 | 87.3% |
| Compulsory Redundancy | 14 | 10 | 24 | 12.7% |
| | | Total | 189 | |

20. The table confirms that the majority of redundancies arising, **87.3%**, were achieved through voluntary means.
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 and maintained.
22. A 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, are described below:

Redeployments:

23. Every effort continues to be made to support employees at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. This includes the recent launch of an on-line redeployment portal for employees at risk of redundancy.
24. In comparison to the number of potential compulsory redundancies during this period the number of employees redeployed equates to a **44.2% success rate**. This figure should continue to be viewed in the context of an overall decrease in the number of posts available and available job vacancies.

25. The Council also 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:

26. The Council is 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.
27. 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.
28. 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 now extends to all employees facing change at work but those at risk are prioritised.
29. The provisions continue to be very well utilised, between April 2013 and June 2014, employees made **9802 views** of information and associated support guides and documents. Since its introduction in November 2013, the Council's new on-line redundancy calculator has received **10859 views**.
30. 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.
31. Since the last report there have been **142** further training and support sessions offered, including an increasing number run in partnership with external providers including Job Centre Plus and Futures.
32. These sessions were attended by an additional **443** employees and **157** further events have been arranged onward to support those employees identified as being at risk as a result of the most recent proposals.

Vacancy Management:

33. Revised Vacancy Control arrangements, reported to Elected Members in detail at the Personnel Committee meeting, were implemented from 3rd June 2013. The new measures 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.

34. The Vacancy Control statistics in **Appendix A** reflect the period December 2013 to June 2014. During this period **816** vacancies were processed with the following outcomes:

- Permanent – 360 posts
- Fixed term – 377 posts
- Agency workers – 79 posts

35. Of the **360** permanent posts advertised, **153** relate to Children's Social Care where there is an ongoing recruitment campaign which continues to seek to attract and directly recruit qualified Social Workers to fill key vacancies.

TUPE Transfers:

36. 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).

37. As further Service Reviews are undertaken the number of TUPE transfers out may increase. So far in 2014/15, 56 NCC staff have transferred out of the authority whilst 2 employees transferred into the authority.

| TUPE transfers 2014/15 | In | Out |
|-------------------------------|-----------|------------|
| Catering and Cleaning | 1 | 56 |
| ASCHPP Joint Commissioning | 1 | |
| Total | 2 | 56 |

Use of Agency Workers:

38. As set out in **Appendix B** to this report, the figure for the use of agency workers has reduced overall from **288** on 1st October 2013 to **199** for the period up to 30th June 2014.

39. There remain **10** consultants and **8** interims providing specialist services which we do not currently have or for which the need is short term and so specific that this solution is the most cost effective. HR Business Partners continue to work with service managers to ensure identified exit strategies and leaving dates are identified so that placement drift is prevented.

40. The reasons for the use of agency workers in certain key areas remains as previously reported, that is, for experienced qualified child protection social workers, independent reviewing officers and child protection coordinators. Recruitment to these posts is ongoing and as new permanent employees come on line, the agency workers will be exited after a managed handover of outstanding work. There have been **52** new social worker appointments made but there have also been **14** resignations.

41. The use of agency workers in business support roles will reduce over the coming months as the enabling process for the business support hub for ASCH

& PP and CFCS is rolled out. Agency workers are being used to protect vacancies and maintain service delivery as the service transforms and agency workers will be exited as the new structure beds down.

42. Agency workers have the right to access information about vacant posts advertised by the hiring organisation immediately they start working. However existing employees either at risk of redundancy or those seeking redeployment on health grounds will be given priority consideration before applications from agency workers can be included as part of a wider recruitment exercise.
43. The Council has recently signed a contract to operate a managed service to provide agency worker resource. These new arrangements will ensure all our requirements for temporary workers fall within this one contract leading to improved placement management, more efficient business processes; better quality workers supplied on more favourable rates; and improved stability of supply in the more geographically remote parts of the county. The managed service provides a blended solution where the provider will act as a supplier but will also engage with a number of more specialist providers to ensure our needs are met. The provider has extensive experience in delivering managed services and has a number of local authority clients as well as having recently been awarded the contract for Nottinghamshire Police.
44. The new arrangements will go live in October and future reports to this Committee will provide information on the improvements to service, processes and management information arising from this partnership.

Next Steps:

45. The information within this report evidences that every effort continues 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.
46. The Council will need to adopt a new approach to deploying its workforce in order to ensure it has the right skills sets available in the right places in a flexible service delivery model across a range of partner and other employing organisations.
47. 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. This will be reflected in the workforce development programme of work set out in the transformation portfolios as part of the *Redefining Your Council* framework.

Other Options Considered

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

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 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. The trades unions have confirmed that they acknowledge the figures contained within this 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 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

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:

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.

Marjorie Toward
Service Director HR and Customer Service

For any enquiries about this report please contact: Claire Gollin, Group Manager HR on 0115 9773837 or claire.gollin@nottsc.gov.uk

Constitutional Comments (KK 28/08/14)

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

Financial Comments (SEM 26/08/14)

58. The financial implications are set out in paragraphs 55 and 56 of the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All

Appendix A: Outcomes from Vacancy Control Process 1.12.13 to 30.6.14

| By Department: | No of Decision Records | No. of Posts | Permanent | Fixed Term | Agency | Deleted Post |
|-----------------------|-------------------------------|---------------------|------------------|-------------------|---------------|---------------------|
| ASCHPP | 115 | 206 | 70 | 114 | 22 | 0 |
| CFCS | 161 | 389 | 153 | 194 | 42 | 0 |
| E&R | 163 | 193 | 126 | 57 | 10 | 0 |
| PPCS | 18 | 28 | 11 | 12 | 5 | 0 |
| Public Health | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 457 | 816 | 360 | 377 | 79 | 0 |

By Division:

| ASCHPP | No of Decision Records | No. of Posts | Permanent | Fixed Term | Agency | Deleted Post |
|--|-------------------------------|---------------------|------------------|-------------------|---------------|---------------------|
| Joint Commissioning, Quality, Business Change | 41 | 50 | 6 | 40 | 4 | 0 |
| Personal Care and Support Older Adults | 17 | 60 | 38 | 15 | 7 | 0 |
| Personal Care and Support Younger Adults | 9 | 10 | 3 | 7 | 0 | 0 |
| Promoting Independence and Public Protection | 12 | 19 | 5 | 10 | 4 | 0 |
| Access and Public Protection | 19 | 40 | 0 | 34 | 6 | 0 |
| North and Mid Notts | 12 | 22 | 13 | 8 | 1 | 0 |
| Commissioning, Day Services, Residential Services | 5 | 5 | 5 | 0 | 0 | 0 |
| Total | 115 | 206 | 70 | 114 | 22 | 0 |

| CFCS | No of Decision Records | No. of Posts | Permanent | Fixed Term | Agency | Deleted Post |
|--|-------------------------------|---------------------|------------------|-------------------|---------------|---------------------|
| Education Standards & Inclusion | 54 | 89 | 3 | 68 | 18 | 0 |
| Children's Social Care | 55 | 198 | 141 | 48 | 9 | 0 |
| Youth, Families and Culture | 52 | 102 | 9 | 78 | 15 | 0 |
| Total | 161 | 389 | 153 | 194 | 42 | 0 |
| Environment & Resources | No of Decision Records | No. of Posts | Permanent | Fixed Term | Agency | Deleted Post |
| Finance and Procurement | 12 | 17 | 10 | 4 | 3 | 0 |
| Highways | 3 | 3 | 2 | 1 | 0 | 0 |
| HR and Customer Service | 5 | 6 | 1 | 5 | 0 | 0 |
| ICT | 40 | 47 | 9 | 31 | 7 | 0 |
| Transport Property and Environment | 103 | 120 | 104 | 16 | 0 | 0 |
| Total | 163 | 193 | 126 | 57 | 10 | 0 |
| PPCS | No of Decision Records | No. of Posts | Permanent | Fixed Term | Agency | Deleted Post |
| Communications | 4 | 4 | 0 | 3 | 1 | 0 |
| Improvement Programme | 4 | 6 | 0 | 6 | 0 | 0 |
| Corporate Strategy | 0 | 0 | 0 | 0 | 0 | 0 |
| Planning | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal and Democratic Services | 10 | 18 | 11 | 3 | 4 | 0 |
| Safer and Engaged Communities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 18 | 28 | 11 | 12 | 5 | 0 |
| Public Health | No of Decision Records | No. of Posts | Permanent | Fixed Term | Agency | Deleted Post |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 |

Appendix B
Agency Staff employed at 30th June 2014

| Department | Agency staff | Consultants | Interims | Total |
|--|---------------------|--------------------|-----------------|--------------|
| PPCS | | | | |
| Improvement Programme | 2 | 2 | 1 | |
| Communications Team | | | | |
| Legal Services | | | | |
| WOW (Ways of Working) | 4 | | | |
| Democratic Services | | | | |
| Total | 6 | 2 | 1 | 9 |
| ASCH&PP | | | | |
| Access & Public Protection | 4 | | | |
| North & Mid Notts | 3 | | | |
| South Notts | 3 | | | |
| Strategic Comm, Day Services and Residential | 17 | | | |
| Business Support | 8 | | | |
| Total | 35 | | | 35 |
| CFCS | | | | |
| Children's Social Care | 71 | | 1 | |
| ESI | 5 | 2 | | |
| YFC | 11 | | | |
| Total | 87 | 2 | 1 | 90 |
| E & R | | | | |
| Finance | 1 | | | |
| Highways | 20 | | 4 | |
| HR | 1 | 3 | 2 | |
| ICT | 17 | 3 | | |
| Procurement | 6 | | | |
| Transport, Property and Env | 26 | | | |
| Total | 71 | 6 | 6 | 83 |
| Total all Departments | 199 | 10 | 8 | 217 |