

Agenda Item: 7**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 quarterly overview of the position in relation to the number of people directly employed by the County Council as at **31st March 2014** and trends relating to this data to enable members to monitor the on-going impact of the Council's organisational review programme and financial strategy on its workforce.

Information and Advice**Background:**

2. Since the first phase of the Council's service review, between August 2009 and March 2014, the number of people employed by the Council has reduced by **3,102**. This is an overall headcount reduction of just under **25%** from 12,431 to 9,329 employees.
3. The immediate impact 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 further reduction of **758 fte posts**.
4. In order to deliver its identified budget savings up to 2017, the Council has launched an ambitious transformation programme, *Redefining Your Council*, which will have a further, significant, impact on the number and nature of its direct workforce.
5. To enable the effective monitoring and assessment of the on-going impact of organisational change on overall staffing levels, regular Employee Resourcing update reports are now being produced. These highlight the relative impact of redundancies and associated mitigations, natural turnover, TUPE transfers, Vacancy Control and the use of agency staff, consultants and interims on the overall number of employees in its direct workforce.
6. These reports are submitted to Personnel Committee on a quarterly basis.

Headcount:

7. The current County Council headcount figure for non-school based staff as at 31st March 2014 is now **9,329**. This includes directly employed permanent staff and staff on fixed term contracts. These figures exclude relief, supply and casual employees.
8. The ongoing trend of 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.
9. The ongoing process of enabling and selection for redundancy arising from the issue of the most recent Section 188 notice will continue to have a significant impact on headcount numbers into the next quarter and the final picture will be reported in detail to a future meeting of this Committee.

Turnover:

10. Natural turnover inevitably occurs as employees reach retirement age, gain alternative employment, transfer to other employers or choose to leave work for other reasons.
11. 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.
12. 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.
13. For the 12 months up to 31st March 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 **9.60%**. When redundancies are factored in the turnover rate is **11.00%**.
14. In February 2014, the Local Government Association (LGA) updated their Local Government Workforce Survey to reflect the position for the year 2012/13, these most current benchmarking statistics, which include redundancies, show that the Local Government average turnover is **11.40%**.
15. 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.

16. The Council has recently adopted the 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%**.

Redundancies:

17. Of the 758 fte posts listed as being potentially at risk 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 to provide opportunities for the redeployment of employees at risk.

18. As set out above, the final impact of the post reductions listed in respect of voluntary and compulsory redundancies cannot yet be fully reflected in this report.

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 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.

21. The following **table** provides an update on the overall number of 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	134	1389	85.1 %
Compulsory Redundancy	62	63	94	11	14	244	14.9 %
Total redundancies						<u>1633</u>	

22. The table confirms that the majority of redundancies arising to date continue to be achieved through voluntary means and the percentage rate has **improved by 0.7 percentage points** from 84.4 of all redundancies as at October 2013. Of the further **90** redundancies which have occurred since the previous report, only **3** have been compulsory.

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

Redeployments:

24. 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.

25. The following table summarises 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*	13
Total*	160

26. In comparison to the number of potential compulsory redundancies from 2010/11 onwards, there remains an overall **46.7%** success rate, **an improvement of 0.7 percentage points** from 46.00 % at the last report. This figure should continue 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.

Other support for employees at risk of redundancy:

28. The Council remains 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.

29. In addition to vacancy control and redeployment search, 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.

30. 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.

31. The provisions continue to be very well utilised, between April 2013 and March 2014, employees made **8943** 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 **8746** views.
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 the last report there have been **62** further training and support sessions offered, including an increasing number run in partnership with external providers including Job Centre Plus and Futures.
34. These sessions were attended by an additional **210** employees and **94** further events have been arranged from February 2014 onward to support those employees identified as being at risk as a result of the most recent proposals.

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 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. The Vacancy Control statistics in **Appendix C** reflect the period December 2013 to March 2014. During this period 475 vacancies were processed with the following outcomes:
 - Permanent – 217 posts
 - Fixed term – 205 posts
 - Agency workers – 53 posts

Of the 217 permanent posts advertised, 80 relate to the Children's Social Care recruitment campaign which continues to seek to attract and directly recruit qualified Social Workers to fill key vacancies.

TUPE Transfers:

37. 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).

38. During the whole of the year 2013/14, **342** NCC staff transferred out of the authority whilst **59** transferred into the authority giving a revised net reduction of **283** heads.

Use of Agency Workers, Consultants and Interims:

39. Personnel Committee previously agreed that a report identifying the level of agency worker usage would be supplied on a quarterly basis. The figure has reduced from **288** agency workers on 1st October 2013 to **249** as at 31st December 2013. The latest quarter's figure as at 31st March 2014 has further reduced to **218** agency workers in the organisation. This is set out in **Appendix B** to this report.
40. There continues to be significant need for experienced, qualified child protection social workers but work is on-going to recruit to these vacancies on a permanent basis. It was agreed at the previous meeting of Personnel Committee that a case study setting out the issues around the use of agency workers in children's social care and associated recruitment and retention issues be provided. This is attached as **Appendix D**.
41. A number of business support vacancies are currently being covered with agency workers whilst the review is undertaken in Adult Social Care and Health and Children's, Families and Cultural Services and new structure is put in place. Adopting this approach ensures that opportunities are protected for existing staff who may be displaced under the new arrangements. This also allows for temporary redeployments to be used to extend the employment of at risk staff wherever possible.
42. Earlier reports highlighted that the use of agency workers and consultants requires the same level of approval as the recruitment of permanent or temporary staff through the vacancy control process. The quarterly return has now been expanded to include interims and consultants which are further categories of workers who provide expert technical support in areas where we do not currently have the necessary expertise in the permanent workforce. A list of definitions for the various categories is attached at **Appendix A**.
43. Working directly with managers, analysis is ongoing to understand how many of these were providing essential cover or additional capacity over and above the agreed establishment for the procuring service.
44. The evaluation process for the bids to provide a managed service have been considered and we are about to engage in pre-award discussions with the identified preferred bidder. It is intended to phase implementation to ensure a stable transfer from the current to the new arrangements.

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. As an integral part of *Redefining Your Council*, 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. This new organisational design model will require a flexible workforce responsive to supply and demand and will inevitably impact on the 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 *Redefining Your Council*.

Other Options Considered

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

Reasons for Recommendations

48. The 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. 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 will be updated on this through annual reports to Personnel Committee.

Statutory and Policy Implications

49. 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

50. 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

51. 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.
52. 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.
53. 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

54. 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.
55. 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.
4. Agree to receive a further report on proposals to improve the retention of social workers and team managers in children's social care at a future date once further work has been undertaken.

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Constitutional Comments (KK 24/04/14)

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

Financial Comments (SEM 24/04/14)

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

Background Papers

Trade union side comments.

Electoral Division(s) and Member(s) Affected

All