

**26<sup>th</sup> November 2014****Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE****NOTTINGHAMSHIRE COUNTY COUNCIL EMPLOYEE RESOURCING  
INFORMATION AS AT 30<sup>TH</sup> SEPTEMBER 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 **30<sup>th</sup> September 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 Options for Change emerging from the Council's transformation programme, *Redefining Your Council*, have significant implications for the size and nature of its future workforce.
3. The short term workforce implications of the implementation of the Council's service review proposals for 2015/16 and 2016/17 were set out in the Section 188 notice issued on 4<sup>th</sup> November 2014, reflecting the budget proposals to be considered by Policy Committee on 12th November.
4. This sets out a potential staffing reduction of 491.79 FTE posts. A 45 day statutory consultation period follows and the impact of these proposals on staffing headcount will not begin to impact until the final quarter of the current financial year.
5. To enable the effective monitoring and assessment of the on-going impact of organisational change and transformation on overall staffing levels, regular quarterly Employee Resourcing update reports will continue to be produced.
6. These will highlight the relative impact of redundancies and associated mitigation as well as natural turnover, TUPE transfers, Vacancy Control and the use of agency staff on the overall number of employees in its direct workforce.

### Headcount:

7. The County Council headcount figure for non-school based staff as at 30<sup>th</sup> September 2014 is **9,009**. This includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.
8. Since April 2014 this represents an overall headcount reduction of **163** from **9,172**.
9. 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.

### 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. The latest Local Government Association Workforce Survey shows that the Local Government average turnover is **11.40%**.
14. The most recently available CIPFA Value for money benchmarking data measures turnover through 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%**.
15. As at 30<sup>th</sup> September 2014 the Council's natural turnover rate, including reasons other than redundancy, that is, for reasons such as resignation, retirement, end of fixed term contract, death in service or dismissal, is now **11.60%**, an increase from **10.40%** at the previous quarter.
16. When redundancies are factored in the NCC turnover rate is now **14.70%**, compared with **13.00%** at the previous quarter.
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 491.79 FTE posts listed on the current Section 188 notice, 78.64 FTE are vacant.
19. The majority of other vacancies continue to be filled on a temporary basis under the Council's Vacancy Control Process.
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), reduced working hours and, wherever possible, volunteers for redundancy are given priority consideration.
21. The following **table** provides an update on the overall number of redundancies during the current year, as at 30 September 2014, and the previous financial year.

	2013/14	2014/15	Total To date	%
<b>Voluntary Redundancy</b>	134	97	<b>231</b>	85.6%
<b>Compulsory Redundancy</b>	14	25	<b>39</b>	14.4%
		<b>Total</b>	<b>270</b>	

22. The table confirms that the majority of redundancies arising to date, **85.6%**, were achieved through voluntary means.
23. The trades unions continue to work closely with management at a corporate level through the Joint Redundancy and Redeployment Working Group to ensure that the potential to reduce the number of compulsory redundancies is fully and consistently explored and maintained.
24. The 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, are described below:

### **Redeployments:**

25. 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.

26. In comparison to the number of potential compulsory redundancies during this period the number of employees redeployed now equates to a **34.00% 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.
27. 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:**

28. 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.
29. 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 extends to all employees facing change at work but those at risk are prioritised.
31. The provisions are well utilised, between April 2013 and September 2014, employees made **10,279 views** of information and associated support guides and documents. Since its introduction in November 2013, the Council's new on-line redundancy calculator has to date received **12,421 views**.
32. Managers are requested to facilitate access to this information, or to bring it 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. In the period since the 30<sup>th</sup> June 2014 there have been **130** 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 **369** employees and **56** 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:**

35. Revised Vacancy Control arrangements, implemented from 3<sup>rd</sup> June 2013, 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 A** reflect the period July to September 2014. During this period **310** vacancies were processed with the following outcomes:

- Permanent – **137** posts
- Fixed term – **146** posts
- Agency workers – **27** posts

37. Of the 137 permanent posts advertised, **85** relate to the Transport, Property and Environment Service, predominantly as a consequence of the introduction of the Universal Free Schools Meals Service.

#### **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 further Service Reviews are undertaken the number of TUPE transfers out arising from the implementation of agreed alternative service models may increase.

40. So far in 2014/15, **69** NCC staff have transferred out of the authority whilst 2 employees transferred into the authority.

<b>TUPE transfers 2014/15</b>	<b>In</b>	<b>Out</b>
Catering and Cleaning	1	69
ASCHPP Joint Commissioning	1	
<b>Total</b>	<b>2</b>	<b>69</b>

#### **Use of Agency Workers:**

41. The latest quarter's figures for agency workers, consultants and interims can be found in **Appendix B**. The figures collated on 30<sup>th</sup> September 2014 show a further overall reduction of 21 incumbents.
42. As reported in September, there is a further reduction in agency workers within Children's Social Care as new starters begin and work is transferred. The number has further reduced from **71** to **58** but managers continue to monitor the situation closely to ensure workloads remain within the nationally recognised levels.
43. There is one new area reported in this quarter's figures which is the highly specialist area of Trading Standards investigations. There are currently **8** incumbents, all who are former police officers and who are engaged in highly complex and sensitive investigations. Given the unpredictable nature of the work

and the need in some cases to provide an immediate response, the use of agency supply in this instance is the most cost effective resourcing solution.

44. The other area which has shown a slight increase in agency usage is Legal Services. This is due to the continuing need for litigation solicitors engaged in adult and child protection work.
45. The go live date for the new managed service for agency workers has been put back until November to ensure that hiring managers have a proper understanding of the revised process and to build the relationship with our external partner to give them an in depth perspective of our current and future needs.

### **Next Steps:**

46. Moving forward, 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 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 trades unions are actively engaged through the 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 noted the contents of the 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 1<sup>st</sup> 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.

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**Constitutional Comments (KK 30/10/14)**

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

**Financial Comments (SEM 5/11/14)**

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

**Human Resources Comments (CLG 17/11/14)**

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

**Background Papers**

None

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

All



**Appendix A: Outcomes from Vacancy Control Process 01.07.14 to 30.09.14**

<b><u>By Department:</u></b>	<b>No of Decision Records</b>	<b>No. of Posts</b>	<b>Permanent</b>	<b>Fixed Term</b>	<b>Agency</b>	<b>Deleted Post</b>
<b>ASCHPP</b>	51	65	17	39	9	0
<b>CFCS</b>	72	112	17	91	4	0
<b>E&amp;R</b>	100	131	103	16	12	0
<b>PPCS</b>	1	2	0	0	2	0
<b>Public Health</b>	0	0	0	0	0	0
<b>Total</b>	<b>224</b>	<b>310</b>	<b>137</b>	<b>146</b>	<b>27</b>	<b>0</b>

**By Division:**

<b>ASCHPP</b>	<b>No of Decision Records</b>	<b>No. of Posts</b>	<b>Permanent</b>	<b>Fixed Term</b>	<b>Agency</b>	<b>Deleted Post</b>
<b>Joint Commissioning, Quality, Business Change</b>	0	0	0	0	0	0
<b>Personal Care and Support Older Adults</b>	0	0	0	0	0	0
<b>Personal Care and Support Younger Adults</b>	0	0	0	0	0	0
<b>Promoting Independence and Public Protection</b>	0	0	0	0	0	0

<b>Access and Public Protection</b>	21	27	6	12	9	0
<b>North and Mid Notts</b>	15	19	10	9	0	0
<b>South Notts</b>	6	6	0	6	0	0
<b>Commissioning, Day Services, Residential Services</b>	9	13	1	12	0	0
<b>Total</b>	<b>51</b>	<b>65</b>	<b>17</b>	<b>39</b>	<b>9</b>	<b>0</b>
<b>CFCS</b>	<b>No of Decision Records</b>	<b>No. of Posts</b>	<b>Permanent</b>	<b>Fixed Term</b>	<b>Agency</b>	<b>Deleted Post</b>
<b>Education Standards &amp; Inclusion</b>	16	26	1	23	2	0
<b>Children's Social Care</b>	21	26	16	9	1	0
<b>Youth, Families and Culture</b>	35	60	0	59	1	0
<b>Total</b>	<b>72</b>	<b>112</b>	<b>17</b>	<b>91</b>	<b>4</b>	<b>0</b>
<b>Environment &amp; Resources</b>	<b>No of Decision Records</b>	<b>No. of Posts</b>	<b>Permanent</b>	<b>Fixed Term</b>	<b>Agency</b>	<b>Deleted Post</b>
<b>Finance and Procurement</b>	5	8	4	3	1	0
<b>Highways</b>	9	10	6	4	0	0
<b>HR and Customer Service</b>	4	7	5	2	0	0

<b>ICT</b>	16	16	3	5	8	0
<b>Transport Property and Environment</b>	66	90	85	2	3	0
<b>Total</b>	<b>100</b>	<b>131</b>	<b>103</b>	<b>16</b>	<b>12</b>	<b>0</b>
<b>PPCS</b>	<b>No of Decision Records</b>	<b>No. of Posts</b>	<b>Permanent</b>	<b>Fixed Term</b>	<b>Agency</b>	<b>Deleted Post</b>
<b>Communications</b>	0	0	0	0	0	0
<b>Improvement Programme</b>	0	0	0	0	0	0
<b>Corporate Strategy</b>	0	0	0	0	0	0
<b>Planning</b>	0	0	0	0	0	0
<b>Legal and Democratic Services</b>	1	2	0	0	2	0
<b>Safer and Engaged Communities</b>	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Public Health</b>	<b>No of Decision Records</b>	<b>No. of Posts</b>	<b>Permanent</b>	<b>Fixed Term</b>	<b>Agency</b>	<b>Deleted Post</b>
	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix B:

### Agency Staff employed at 30<sup>th</sup> September 2014

Department	Agency staff	Consultants	Interims	Total
<b>PPCS</b>				
Transformation Programme		3	1	4
Communications Team				
Legal Services	8			8
WOW (Ways of Working)	5			5
Democratic Services	1			1
<b>Total</b>	<b>14</b>	<b>3</b>	<b>1</b>	<b>18</b>
<b>ASCH&amp;PP</b>				
Access & Public Protection	1	1		2
North & Mid Notts	3			3
South Notts	2			2
Strategic Comm, Day Services and Residential	19			19
Trading Standards	8			8
<b>Total</b>	<b>33</b>	<b>1</b>	<b>0</b>	<b>34</b>
<b>CFCS</b>				
Children's Social Care	58		2	60
ESI	5	2	1	8
YFC	4	1		5
Business Support	3			3
<b>Total</b>	<b>70</b>	<b>3</b>	<b>3</b>	<b>76</b>
<b>E &amp; R</b>				
Finance	1			1
Highways	17		5	22
HR		4	2	6
ICT	16	2		18
Procurement	3			3
Transport, Property and Env	15	1		16
<b>Total</b>	<b>52</b>	<b>7</b>	<b>7</b>	<b>66</b>
<b>Total all Departments</b>	<b>169</b>	<b>14</b>	<b>11</b>	<b>194</b>