



29th March 2017

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN RESOURCES

NOTTINGHAMSHIRE COUNTY COUNCIL WORKFORCE PLANNING INFORMATION AS AT 31ST DECEMBER 2016

Purpose of the Report

1. The purpose of this 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 continues to enable 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 31st December 2016 was **7,528**. 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 December 2015 this represents an overall headcount reduction to date of **1,297** from **8,825**. This reflects a number of reasons including the implementation of Service Reviews and organisational re-design, the transfer out of some services to alternative service delivery models during 2016 and natural turnover, including retirement.

Vacancy Management:

8. The Council's 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.
9. The Vacancy Control statistics in **Appendix A**, which reflect the period October to December 2016 inclusive, indicate that overall during this quarter the majority of vacancies, **141 of 192**, submitted through the centralised recruitment process have been filled on a permanent basis.
10. This includes posts in Children's Social Care, which has a rolling programme of Social Worker recruitment, and Social Worker posts in North Nottinghamshire in ASCHPP where there are recruitment difficulties. In Place, the majority of part – time school based cleaning and catering posts have been advertised permanently to ensure recruitment levels are sufficient to maintain competitiveness in the open market.

Turnover:

11. 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.
12. 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, **3** in total, has fallen significantly since the previous quarter.
13. The NCC turnover rate, including redundancies, has continued to fall over recent quarters. During quarter 3 of 2016/17, calculated as the mean average over the previous 12 month period, turnover stands at **8.87%**, compared to **11.46%** at the previous quarter, averaging **11.39%** for the whole 12 month period from January 2016.
14. The most recently reported Local Government average turnover rate stood at **13.40%** as at 31st March 2015.
15. The table in **Appendix B** sets out details of the reasons given for leaving over the 12 month period up to 31st December 2016, it includes directly employed permanent staff and staff on fixed term contracts and excludes relief, supply and casual employees.

16. As indicated, the most commonly recorded reason for leaving in this quarter, **135 of a total of 167** continues to be “resignation”. This category has been broken down further in table 1 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 of leavers continue to cite personal reasons, this includes those employees moving on to employment with other organisations.

Table 1:

Resignations September to December 2016	
Reasons for leaving	
Return to Education/Retraining	3
Following Career Break	0
Following Maternity Leave	0
Job Related Reasons	27
Not Known	0
Personal Reasons inc job with new employer	105
Total	135

17. The next most prevalent reason for leaving during the quarter is retirement (**11 out of a total of 167**), which relates to those employees aged 55 or over who can access their accrued pension benefits.

18. 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 investigating more closely the reasons for staff moving on.

19. 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.

20. 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:

21. The Council continues to consider all reasonable mitigations to reduce the impact on individual employees of the post deletions arising from service reviews.

22. Table 2 below provides an update on the confirmed number of overall redundancies during the current financial year to date, that is as at **31st December 2016**, and also the preceding three financial years.

Table 2:

	2013/14	2014/15	2015/16	2016/17	Overall Total to date	%
Voluntary Redundancy	134	227	64	51	476	74%
Compulsory Redundancy	14	45	30	77	166	26%
Total Redundancies	148	272	94	128	642	

23. The 51 voluntary redundancies in-year since 1st April 2016 equate to 42.1.fte posts and the 77 compulsory redundancies over the same period to 37.4 fte.

24. 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 reviews.

25. A 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 identified as being at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. This includes access to the Council's on-line redeployment portal.

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 continues to restrict 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 any available 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, which is 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 December 2016 employees have made a total of **10,821** 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 1st October 2016 to 31st December 2016 a further **10** training and support sessions were delivered in partnership with external providers including Job Centre Plus and Futures. These sessions were attended by **76** 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 **12** events are currently offered for the period January to March 2017 and will continue to be reviewed on an ongoing basis as actual demand is established.

TUPE Transfers:

36. The 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) as summarised in Table 3 below.
37. The TUPE transfers that arose from the implementation of alternative service delivery models during the course of 2016/17 impacted significantly on the overall headcount of the Council's direct workforce, during the previous quarter. There has been little further movement during the current quarter (1 transfer out from Catering and Cleaning). The transfer out of NCC of around 20 Country Parks employees based at Rufford during February 2017 will be reflected in the next quarter's figures.

Table 3:

TUPE transfers	2014/15		2015/16		2016/17	
	In	Out	In	Out	In	Out
Catering and Cleaning	1	69	0	121	4	78
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
Total	3	71	1	124	4	1269

Use of Agency Workers:

38. The latest quarter's figures for agency workers, consultants and interims are set out in **Appendix C** to this report. The quarter to 31st December 2016 continues to see an overall reduction in the use of agency, interims and consultants from **255.8 to 229.7** full time equivalents (FTE).
39. This shows an overall reduction of **26.1 FTE** from the previous quarter and an overall reduction of **48.7 FTEs** for the previous 6 months.
40. There has been a significant reduction in the number of agency social workers in Children's Social Care, reducing from **64.2 to 46.3 FTE**. Members may recall the significant effort which has gone into reducing this figure through targeted recruitment, improved relationships with local universities, improved support and supervision for newly qualified workers and the introduction of a retention payment in the hard to recruit to teams.
41. In addition, from 1st January 2017 the Council has introduced a cap on the rates we pay for agency social workers and further information will be brought back to this Committee to report on the impact of this initiative. A data collection exercise is currently underway across the East Midlands and further benchmarking information will be available in the late Spring.
42. HMRC will be paying particular attention to agency workers operating as personal services companies from 8th April 2017 and it is intended that this is used as a further tool to demonstrate the benefits of employment whilst making the agency option less attractive.

43. There has also been a similar reduction in the ASCHPP department with their figure reducing from **93.8** to **75.6 FTE**. Agency usage in this department is primarily in unqualified workers but we maintain close scrutiny of this and there remains the possibility of introducing a cap for qualified social workers in adults if the market takes off in the same way it has done for Children's social workers.
44. In Resources, there again has been a small reduction in overall usage from **88.3** to **71.1 FTEs**. The change has primarily been in the Customer Service Centre as new recruits have transferred from agency to employment. There has also been a small reduction of agency workers in ICT as their new structure is populated through the enabling process.
45. Place has shown an increase from **4.4** to **22.8 FTEs** which can be accounted for due to an increased demand for drivers. The reasons for this are currently being explored with Transport managers and further scrutiny of on-going demand and the most cost effective resourcing solution will take place with senior management in the department.

Reasons for Recommendations

46. 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

47. 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

48. 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.

Equalities Implications

49. 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.
50. 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.

51. The County Council's current Workforce Profile Information report, as at 1st 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

52. 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.

53. 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 28/02/17)

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

Financial Comments (SES 28/02/17)

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

Human Resources Comments (CLG 8/2/17)

56. 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