

# Finance and Resources Committee

10.00am, Tuesday 2 February 2016

## Managing Workforce Change – Workforce Dashboard

Item number	7.2
Report number	
Executive/routine	
Wards	

### Executive summary

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The attached Workforce Dashboard provides monitoring information on:

- the number of Voluntary Early Release (VERA) applications received;
- the number of employees exiting the organisation;
- the associated annualised cost savings;
- the number of surplus staff and associated costs; and
- the number of managers who have participated in the Leading Change Through Transformation development programme.

### Links

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Coalition pledges	P25,26,27,29 & 30
Council outcomes	CO24,25,26 & 27
Single Outcome Agreement	

## Managing Workforce Change – Workforce Dashboard

### Recommendations

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- 1.1 To note progress made to date.
- 1.2 To note that this dashboard is being redesigned to include further information on Voluntary Redundancy (VR) and Career Transition.
- 1.3 To note that this dashboard will be reported to the Finance and Resources (F&R) Committee on a four weekly cycle and that, in addition, it will be circulated to the Chief Executive, Group Leaders and the Trade Unions fortnightly from 8 February 2016 onwards.

### Background

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- 2.1 The Council faces unprecedented financial challenges over the next twelve months. The total savings target from organisational reviews is £64m, to be achieved by March 2017.
- 2.2 In order to achieve this target the following reduction in staffing levels is proposed:
  - management posts 27%;
  - business support posts 26%; and
  - front line posts 15%
- 2.3 At its meeting on 29 October 2015 the Finance and Resources Committee acknowledged the need to reduce the number of staff by encouraging employees to apply for voluntary severance and agreed revised terms for VERA and VR.
- 2.4 Subsequently two major exercises have taken place, in October and November 2015, inviting employees to apply for VERA.
- 2.5 It was agreed that where a postholder was granted VERA the post would be deleted. It was also agreed that the following categories of staff would not be authorised for VERA at this time:
  - employees in posts which are seen as essential for the delivery of services;
  - employees who are identified as having key skills critical to the organisation;
  - school based employees; and

- employees in posts which are difficult to recruit to.

## Main report

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- 3.1 The attached dashboard provides indicators to monitor change through the Council Transformation Programme.
- 3.2 A summary of the findings is detailed below:
- 1,650 people have applied to leave the organisation under VERA
  - 123, of the 162 who were issued offers (76%), exited the organisation on 31 December 2015 (this equates to £4.3m annualised cost savings);
  - there is an additional pipeline of £21.1m of annualised staff cost savings currently going through the VERA acceptance process if the January and March offers are accepted;
  - 54 people were recorded as being surplus in November 2015 (a staff cost of £1.9m). However 44 of those have been redeployed into temporary posts, leaving 10 who are currently unfunded;
  - 73 managers have participated in the Leading Change development programme which is designed to help managers to think about and plan how they will lead their teams through the pending organisational reviews;
  - 25% of people who went through the first three transformational reviews contacted the Career Transition Service and had a one to one meeting to discuss their needs; and
  - 794 applications were declined by service areas as they fall under the categories outlined in paragraph 2.5.
- 3.3 Voluntary Redundancy data is evolving as the first organisational reviews reach a conclusion and this will be added to future dashboards.
- 3.4 Posts which are authorised for advertising continue to be monitored for redeployment opportunities and from the end of October 2015 this is being carried out by the Career Transition Service. This service aims to support employees whose roles are at risk as a result of restructuring and to make targeted career transition and/or redeployment to available roles within the new structure for the Council. Further data on the number of employees using this service will be included in future dashboards.

## Measures of success

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- 4.1 That where possible the Council achieves the necessary staff reductions by voluntary means.

## Financial impact

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- 5.1 Annualised cost savings (including national insurance and pensions) of £4.3m have been achieved to date.

## Risk, policy, compliance and governance impact

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- 6.1 The VERA trawls described above are essential to ensure that the Council is able to manage and plan the people impact of achieving the planned business change and associated savings.

## Equalities impact

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- 7.1 There are no significant equalities impacts arising directly from this report.

## Sustainability impact

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- 8.1 There is no sustainability impact of this report.

## Consultation and engagement

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- 9.1 Consultation and engagement with key stakeholders, including senior management teams, Trade Unions and elected members is ongoing.

## Background reading/external references

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[Managing Workforce Change report to F&R Committee 29 October 2015.](#)

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## Links

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<b>Coalition pledges</b>	P25: Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development P26: Establish a policy of no compulsory redundancies, P27: Seek to work in full partnership with Council staff and their representatives P29: Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work P30: Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO24, CO25, CO26, CO27
<b>Single Outcome</b>	

**Agreement**

**Appendices**

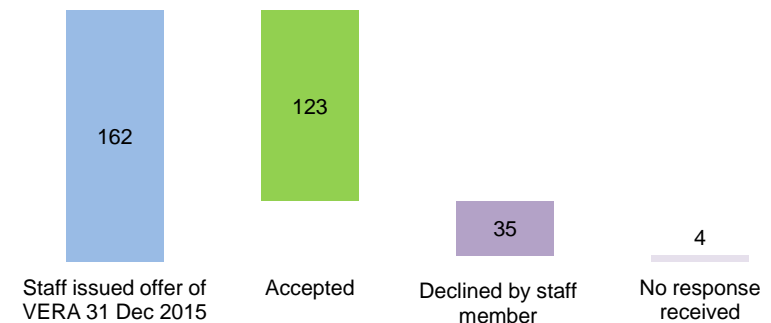
Appendix 1 – Workforce Dashboard - Transformation Programme Summary

\* Please note that in addition to the 123 VERA exiting in December there were 7 who exited the organisation under VERA out with the transformation programme.

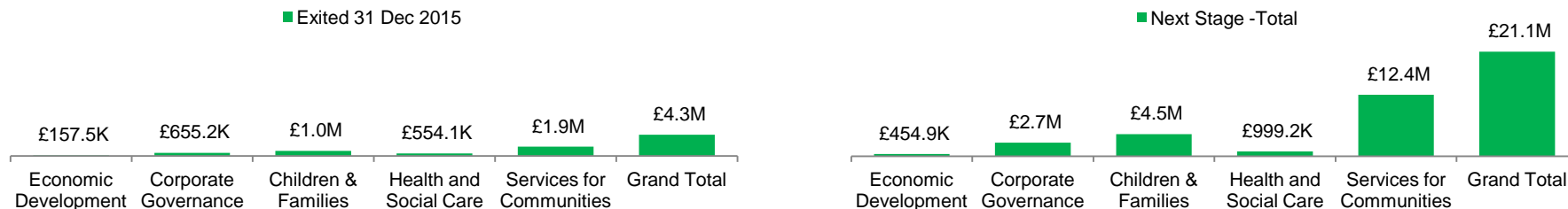
### VERA (as at January 2016)

VERA outcomes to date	Positions	FTE
Exits for 31 December 2015	<b>123*</b>	<b>110.1</b>
Next stage - formal offer letter issued to leave by 31 January 2016	123	110
Next stage - preparing financial case to leave by 31 March 2016	481	459
<b>Sub Total</b>	<b>727</b>	<b>679.1</b>
Declined by service area	794	695.9
Pending	90	64.1
Employee given formal offer but did not accept	39	35.6
<b>Sub Total</b>	<b>923</b>	<b>795.6</b>
<b>Grand Total</b>	<b>1,650</b>	<b>1,474.7</b>

### VERA exits for 31 December 2015 (positions)



### Annualised cost including NI and Pensions



### Surplus – number of positions and Cost

	Number of Positions				Annualised Salary including NI and Pensions			
	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015
Surplus – not currently redeployed	25	17	16	10	£811.2K	£479.8K	£428.5K	£278.1K
Temporarily redeployed less than 6 months	1	2	4	4	£27.1K	£50.6K	£108.5K	£103.2K
Temporarily redeployed more than 6 months	31	39	39	40	£1.2M	£1.6M	£1.6M	£1.5M
<b>Total</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>54</b>	<b>£2.0M</b>	<b>£2.1M</b>	<b>£2.1M</b>	<b>£1.9M</b>

### Career Transition and Leading the Change Through Transformation

- 73 managers have participated in the leading through Change development programme since December 2015
- 25% of people who have gone through a review have received a 1:1 meeting from the Career Transition Service