

ROTHERHAM BOROUGH COUNCIL

REPORT TO DEPUTY LEADER

1. Meeting:	Deputy Leader Meeting
2. Date:	July 2014
3. Title:	Workforce Strategy Review 2013-14
4. Directorate:	Human Resources

5. Summary

This report provides an overview of the impact of HR policies, procedures and activities on the Council workforce during 2013-14.

6. Recommendations

Deputy Leader is asked to note:

- **Continued high level of employee engagement/involvement**
- **Key HR activity**
- **£3.8m reduction in workforce costs**

7. Proposals and Details

7.1 Background

The budget challenges facing the Council (and the need to achieve reductions in workforce costs) have required organisational redesign, changes to working practices and changes to Human Resources (HR) policies. Successful management of workforce costs continues to keep the number of compulsory redundancies to a minimum and reduced the impact of budget cuts on the delivery of front line services.

A £3.8m reduction in 2013/14 has taken recurrent savings (since reductions began in 2010) to over £27m a year. Appendix 2 to 4 illustrate breakdown by Management level, Directorate and Front Facing/Support services.

Despite major changes across the Council over the last few years the number of grievances lodged by employees continues to be well below benchmarks whilst employee engagement and involvement remains positive and similar to the high levels of the previous survey (see appendix 1 for statistics).

A continued focus on key workforce activity has helped to maintain an engaged workforce, whilst successfully achieving organisational change. The following is a summary of workforce activity managed and supported by HR in the last year, by the themes of the Workforce Strategy.

7.2 Theme: Ensuring we have a modern & thriving Council

A further series of reorganisations took place across the Council in order to achieve targeted budget savings, transfer staff and secure voluntary severances. Reviews included Safeguarding, Customer Services & Libraries, Waste Management, Cleansing, Clifton Park & Museums, Legal Services and Internal Audit & Asset Management. Transfers of staff out to various Academies and conversion to trust status have been supported. Similarly transfers in to the Council from Public Health and Action for Children have been implemented.

The trade union consultative process, involving management and Elected Members, continues in a positive manner and has helped deliver negotiated changes to terms and conditions as part of the budget process.

Further work promoting flexible working through the WorkSmart programme has taken place in preparation for staff relocation from other Council buildings in order to release further assets.

A range of activities have taken place in conjunction with our new Public Health colleagues promoting healthy lifestyles to employees in support of the Health & Wellbeing Strategy, e.g. smoking cessation campaigns, ASA swimming and workplace fitness challenge. Employee Assistance support has been promoted via briefings and Westfield visits to Council buildings.

Workforce planning information available to managers has been refreshed and made available in real time as monthly scorecards via the HR Portal to aid with identification of savings and to target development needs.

The Investors in People re-assessment was completed, re-achieving Gold level status and providing useful feedback from employees on their perception of how the Council manages its workforce.

All pensions auto-enrolment, new requirements for real-time payroll data, interfaces with general ledger and strike deduction were achieved through changes to systems with various improvements and developments through the HR Portal were made, offering additional functions to managers and employees.

7.3 Theme: Developing leadership capacity through change

Senior manager events were supported around resilience and child sexual exploitation and Director Group meetings continued to allow focus on key issues to be shared amongst senior managers. New Skills Profiles were developed for Elected Members to be used during Personal Development Plan's and the training programme for Members included sub-regionally organised events to secure better value for money. Continued 1 to 1 support for Members ICT needs has been provided and the Member Development Strategy and training support principles were agreed with the Member Development Panel.

Employee involvement continued to be encouraged with changes including a shift of worker representative groups to operate as virtual consultation forums and development of a more interactive site for sharing of budget suggestions.

The employee awards were managed, culminating in the annual awards event presented to Full Council and also incorporating for the first time the Young Person of the Year Award.

7.4 Theme: Developing our employees skills for the future

New training providers were agreed for the core management development programme with continued level 3 and 5 programmes and additional level 6 programmes with a focus on change and innovation. Savings per course of around £80 average have been achieved.

Managers have participated in the Yorkshire & Humber master class series, which was offered by Local Government Yorkshire & Humber and focused on core management issues in the current climate, e.g. commercial skills, leadership, engagement.

The M3 (third tier) manager leadership sessions have continued with key topics around health, budget, sharing of information, channel shift and WorkSmart etc.

The Skills Gain programme has continued (functional maths and literacy skills) with provision changed to internal (through the adult learning team) and additional functional ICT skills have recently been added in partnership with the GMB Learning resource.

The Dynamic Purchasing System for training has delivered savings both corporately and for the Neighbourhoods and Adult Services Directorate, through reduced trainer costs and shared commissioning with Doncaster MBC.

Work has commenced on a tendering process for e-learning software and a catalogue of e-learning modules to potentially replace the existing contract. Further modules of e-learning have been added to the existing offer, including resilience, children's care, hoarding and updating of the e-induction, information security and stress awareness modules.

7.5 Theme: Managing talent and attracting new talent as appropriate

A new process for criminal records checking of new starters with access to the Public Services Network has commenced.

Monitoring of agency usage/spend has continued and been considered by Scrutiny. Difficulties with the agency provider have also been proactively managed and the contract is currently being re-let. Whilst agency spend had reduced considerably over the last few years, there has been an increase in the last year (Appendix 1).

Further apprenticeships have been supported, with the highest number in employment across the Council so far (79). In addition, over 40 work placements have been arranged for disabled/long-

term unemployed through the access all areas scheme and 9 work placement were offered for Looked After Children. Careers events, mock interviews and application advice have been provided in a number of schools, particularly in deprived communities.

Employees leaving through voluntary severance have continued to be provided with rapid response information and support and 3 pre-retirement sessions have been offered.

7.6 Theme: Ensuring we have a fairly rewarded workforce

The pay protection period has been reduced, as part of the negotiated changes to terms and conditions, along with the cessation of Excess Travel Allowances for any newly displaced employees. Monetary Long Service Awards are also no longer being paid in accordance with budget proposals agreed by Elected Members.

The integrity of the Council's single status grading structure continued to be managed through the corporate pay and grading panel.

Further salary sacrifice schemes for bikes, laptops, mobile phones have been added to the existing schemes for cars, car parking and childcare vouchers, generating further Council savings to help support front line service delivery (Appendix 1).

Employees have been kept up to date with pension changes coming into effect from 1st April 2014 via briefings and sessions, including options for additional voluntary contributions. The NHS pension scheme has been managed for Doncaster and Rotherham Councils, for those employees with protected NHS pensions and all auto-enrolment requirements have been implemented.

The payroll function has supported Go Live for Chart of Accounts and the E5 system upgrade.

8. Finance

Workforce costs fell by a further £3.8m (3% of pay bill) in the year due to redundancy. Workforce development activity continued, but with reduced budget.

9. Risks and Uncertainties

Government continues to target Public Sector spending for reduction limiting the scope to retain, recruit and motivate employees.

10. Policy and Performance Agenda Implications

The way we do business: Right people, right skills, right place, right time, reducing bureaucracy and getting better value for money.

11. Background Papers and Consultation

- a) Corporate Workforce Strategy
- b) HR & Payroll statistical reports
- c) CIFPA HR Benchmarking Club

Contact Name: Phil Howe
Director of Human Resources
Ext. 23716

HR Statistical Information

Ensuring We Have a Modern Thriving Council

- 179 Voluntary Severances (workforce reduced 1042, 17% since 2010)
- Grievances 3.2 per 1,000 FTE (CIPFA 7.3) and declining year on year, i.e.141 in 10/11 down to 27 in 13/14.
- Disciplinary 13.6 per 1,000 FTE (CIPFA 22.7)
- Dismissals 52 in 2012/13, 43 in 2013/14
- Positive employee perception of work-life balance at 70% (CIPD 58%)
- Sickness: an increase from 12/13 (7.96) (CIPD 5,000+ staff =8.1 days),
- Sickness absence attributable to mental health conditions 26% of absences (HSE nationally 40%)

Developing Leadership Capacity through change

- Employee perception of senior management and management of change good against benchmarks
- City Region Leadership Programme numbers: 3 in 2011, 3 in 2012. Ceased 2013
- Top 5% earners BAME 2.56% (target 2.5%)
- Top 5% women 56.05% (target 50%)
- Top 5% with disability 6.56% (target 5%)
- Employee engagement 67%, new joiners 83% , leavers 62% (all 2012)
- Employee suggestions: 39 in 2013/14 and 132 to Chief Executive on budget savings.

Developing our Employees skills for the future

- Positive employee perception of line managers across all areas (employee survey 2012)
- Manager training attendance:
Level 2 subsidised awards in key topics: 53 (12/13) Ceased 2013/14
Level 3 CMI certificate: 85 (11/12), 53 (12/13), 36 (13/14)
New level 5 CMI (13/14): Change manager 8, Innovations manager 11
- Buddies scheme sign-ups: 20 (11/12), 9 (12/13), 7 (13/14)
- Employee perception of getting the learning & development to do their job well reduced- 2012 61% from 67% in 2008 (Civil Service 46%)
- 80% of the workforce have a qualification above level 2 (March 2013) up 4% since 2011
- 69% of managers hold a management qualification (March 2013)
- 78% of employees indicate having a PDR (employee survey 2012)
- 28% employees feel there are opportunities for career development (NHS 30%)
- Mandatory e-learning training completions: 1236 (11/12), 1629 (12/13), 2353 (2013/14)
- Numbers booked on Directions (generic employee skills) training: 78 (12/13), 121 (2013/14)
- Numbers booked on ICT training: 7(12/13), 77 (13/14) and 11 on new accredited ICT training and 9 on GMB taster sessions
- Distance learning sign-ups (level 2 and 3): 34 (12/13), 78 (13/14)
- Skills Gain achievers 2012: 36, 2013:27 (English 8, Maths 19)

Managing talent and attracting new talent as appropriate

- New joiner engagement 83% (2012)
- Recruitment & Selection training attendance: 44 on 1 day course & 101 on e-learning
- Following a 60% reduction in agency spend in 2012/13 there has been an increase in spend of 23.3% in 13/14
- Apprenticeship numbers: 26 (10/11), 41 (11/12), 54 (12/13), 79 (13/14)
- Disabled people in the workforce 4.46% (target of 4%)
- Looked after children placements: 10 (11/12), 7 (12/13), 9 (13/14)
- Access all Areas Placements: 71 (11/12), 91 (12/13), 40 (13/14)

Ensuring we have a Fairly Rewarded Workforce

- 208 cars ordered through the salary sacrifice scheme, saving £100k per year. Car parking salary sacrifice saved the Council £8k and Childcare salary sacrifice scheme achieved savings to the Council £50/60k per year
- Reduction in workforce recurrent annual saving £27m i.e. 20% of the total non-School wage bill
- Satisfaction with the total Pay & Benefits package 52%, up 5% 2012 survey (NHS 39%)

Severance by Tax Year and Management Level Sept 2010-31st March 2014

Tax Year	M4	M3	M2	M1	Non-Management	Total	Annual Salary Saving
2010/11	2	14	106	45	174	341	£9,346,323
2011/12	1	16	88	49	120	274	£7,640,666
2012/13	0	6	56	29	157	248	£5,997,716
2013/14	0	3	26	34	116	179	£3,804,008
Total	3	39	276	157	567	1042	£26,788,713

Category	Number Approvals	Number of group in workforce	% of group in workforce	% reduction of group	Annual Salary Saving
M4	3	24	0.3%	12.5% (39%)	£263,313
M3	39	98	1.4%	40% (45%)	£2,422,480
M2	276	1242	17%	22%	£10,863,633
M1	157	925	13%	17%	£4,316,958
All Management	475	2284	33%	21%	£17,866,384
Non- Management	567	4743	67%	12%	£8,922,329
Total	1042	7027			£26,788,713

Notes Percentage reduction of group in brackets includes disestablished vacancies

Figures include: 72 compulsory redundancies made 2010-2012 in initial service reviews
 In addition: 44 applications for flexible retirement have been approved generating recurrent annual salary savings of £580k
 12 Senior Management Posts becoming vacant deleted generating recurrent annual salary saving of £910k
 Vacant posts disestablished, 65 identified by HR deleted generated recurrent annual salary saving of £1.4m

Cost of release to date (including full pension strain) £20,798,755

Severance by Directorate and Management Level Sept 10 – 31st March 2014

Directorate	M4	M3	M2	M1	Non-Management	Total	Annual Salary Saving
Children & Young People's	2	11	80	42	94	229	£6,730,073
Environment & Development	-	6	65	36	109	216	£6,279,440
Neighbourhoods & Adults	1	5	48	40	234	328	£7,135,653
Resources	-	17	83	39	130	269	£6,643,547
Total	3	39	276	157	567	1042	£26,788,713

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Voluntary Severance by Service Sept 2010-31st March 2014

Directorate	Service	Support	Front Facing	Reduction
CYPS	Safeguarding Children & Families	8	17	4.6%
	Schools & Lifelong Learning	91	113	14.5%
EDS	Planning Regeneration & Culture	54	84	23.3%
	Internal Audit & Asset Management	46	31	6.2%
	Streetpride	7	71	12.8%
NAS	Health & Wellbeing	16	261	20%
	Housing & Neighbourhoods	19	32	12.7%
	CPP	102	0	46%
RES	Finance	54	3	17%
	Human Resources	10	0	8.2%
	Legal & Democratic Services	23	0	21%
Total		430 (28% Group reduction)	612 (12% Group reduction)	17%*

*Percentage reduction in workforce increases to 22% if exclude transfers to the Council from Grounds Maintenance, 2010 Rotherham Ltd, Rother Valley Country Park, Connexions, Doncaster HR & Payroll and Public Health