

**24 March 2016**

**ITEM: 8**

## **Corporate Overview and Scrutiny Committee**

### **Workforce Analysis and Performance**

**Wards and communities affected:**

All

**Key Decision:**

Non-key

**Accountable Director:** Jackie Hinchliffe, Director of HR, OD and Transformation

**This report is public**

#### **Executive Summary**

The effective management and deployment of the council's workforce is essential to the delivery of effective council services and the customer experience.

The council's workforce consists of both employed staff and agency workers. The use of agency staff is an ongoing requirement for the Council in order to retain flexibility in the workforce to respond to service demands and protect permanent staff members.

The Council rigorously monitors the usage and spend on agency workers. There are a number of measures which have been implemented to ensure that the use of agency workers is proportionate and that agency staff are only engaged where there is an essential business need.

Managing and motivating employed staff is a priority to ensure effective performance across the organisation. The performance outcomes for 2014/15 demonstrate a positive position with 90% of staff achieving good or exceptional performance.

Agency workers are not subject to performance ratings or part of the formal PDR process. Their performance is monitored by the relevant manager and any concerns regarding their performance that arise can be addressed promptly with the workers agency.

#### **1. Recommendations**

##### **1.1 Corporate Overview and Scrutiny Committee comment on the information provided in this report.**

## **2. Workforce Analysis**

- 2.1 The current employed workforce consists of 2000 people which equates to 1600 FTE, within this there are 47 FTE fixed term contracts. In addition to this the council currently utilises 331 agency placements. The total workforce budget for 2015/16, including on costs, is just under £62m. Spend on agency staff in the 2015/16 financial year is expected to be around £9m, representing 14% of the total budget.
- 2.2 The Council requires the use of agency staff to help deliver essential services, respond to demands, maintain flexibility and protect employed staff; current pressures include Children's Social Care, specialist lawyers and Environment. The use of agency staff is monitored monthly by Directors and quarterly by Directors Board. A breakdown of types of agency staff currently deployed is attached at Appendix 1.
- 2.3 To ensure best value for the council agency staff are procured through a managed service provider. In 2011 the council engaged Comensura for the provision of all agency staff, this resulted in an initial reduction in spend of £1,427,993 for the calendar year and provided, for the first time, a mechanism for robust corporate reporting and monitoring. Following a retendering exercise in 2015 the contract has now been awarded to Matrix SCM with the aim of driving further savings.
- 2.4 The council currently has 328 vacancies, many of which are covered by agency staff. With the financial pressures facing the council it is essential to maintain flexibility within the workforce and protect the organisation from unnecessary redundancy costs, this approach has enabled us to minimise permanent staff reductions. For Children's Social Care particularly the use of agency staff is essential to maintain required ratios due to the challenges of the market. Where appropriate long term agency staff are assimilated into permanent roles.
- 2.5 The council's staff turnover as at January 2016 is 13.5%, with 236 leavers and 232 starters since April 2015. Active recruitment currently stands at 18 live adverts with an additional 57 posts at shortlisting and interview stages.
- 2.6 The table below illustrates, as at 15 February 2016, the breakdown of establishment, employees, vacancies and agency placements for each directorate (based on new structure).

Directorate	Establishment FTE	Employee FTE	Employee Headcount	Vacancies FTE	No. of Agency Placements
Adults, Housing & Health	610.03	508.71	613	101.32	57
Children's Services	487.05	392.93	572	94.12	163
Commissioning & Commercial Services	13.00	8.00	8	5.00	3
Environment & Place	421.15	377.18	461	43.97	54
Finance & IT	165.05	137.05	148	28.00	21
HR, OD & Transformation	188.77	148.77	169	40.00	21
Legal	43.26	27.36	28	15.90	12
<b>Total</b>	<b>1928.31</b>	<b>1600.00</b>	<b>1999</b>	<b>328.31</b>	<b>331</b>

2.7 The table below illustrates, as at January 2016, the total budget, budget to date, spend and variance for each directorate (based on previous structure). The figures combine the cost of the permanent workforce (including on costs) and spend on agency workers.

Directorate	Employee Budget	Employee Budget to date	Employee Actual to date	Variance to date
Adults, Health & Commissioning	11,549,232.35	9,476,565.89	9,315,656.23	160,909.66
Chief Executive Delivery Unit	2,758,242.00	2,079,357.10	2,146,094.69	(66,737.59)
Chief Executive's Office	7,584,354.75	5,772,527.01	5,612,174.09	160352.92
Children's Services	19,076,432.00	15,737,169.89	18,096,012.42	(2,358,842.53)
Environment (incl. Public Protection)	8,272,484.12	6,952,309.90	7,392,624.10	(,440,314.20)
Housing (incl. GF, HRA & Commercial Services)	8,881,009.25	7,391,432.35	7,111,502.14	279,930.21
Planning & Transportation	3,670,861.00	2,962,065.70	3,037,653.15	(75,587.45)
<b>Total</b>	<b>61,792,615.47</b>	<b>50,371,427.84</b>	<b>52,711,716.82</b>	<b>(2,340,288.98)</b>

2.8 As the committee will note the current position represents a £2.3m overspend. As reported to Cabinet on 9 March 2016 there are significant pressures in Children's Services due to the cost of agency and interim staff placements required to maintain safe levels and respond to the increasing numbers of unaccompanied asylum seekers. In addition, the £400,000 overspend in Environment and Public Protection is predominantly due to the cost of additional waste and street cleansing staff within Environment as previously

reported to Cabinet. The overspend on employee budgets is expected to be contained within wider council budgets by the year end.

### **3. Performance Management and Pay Progression**

- 3.1 With an investment of £62m representing 50% of the council's annual revenue budget it is essential to ensure the workforce is effectively managed and rewarded. The council's accreditation with IIP Gold in 2013 demonstrated excellence as an employer in terms of people management and development.
- 3.2 The council's PDR scheme is the mechanism by which permanent staff are managed, their performance assessed and training and development needs identified. Standards for management practice are set and regularly monitored through the annual PDR process and the staff survey. Agency worker performance is monitored on an ongoing basis by the manager and can be addressed with the agency where this falls below expected standard.
- 3.3 The table below shows the breakdown of performance ratings across directorates for permanent staff in the 2014-15 PDR year. Performance ratings directly inform incremental pay progression for staff. Appendix 2 provides a detailed breakdown of the awards.

<b>Directorate</b>	<b>Rating of 1</b>	<b>Rating of 2</b>	<b>Rating of 3</b>	<b>Rating of 4</b>
Chief Executive's Office	27	68	5	0
Chief Executive Delivery Unit	10	17	1	0
Adults, Health & Commissioning	10	295	7	0
Children's Services	45	445	7	1
Environment	27	246	3	0
Housing	19	153	8	0
Planning & Transportation	10	73	1	0
<b>Overall Council</b>	<b>9.0%</b>	<b>78.9%</b>	<b>1.9%</b>	<b>0.1%</b>

- 3.4 Annual PDR reviews are currently underway and a performance rating summary for 2015-16 will be available in April 2016.

### **4. Reasons for Recommendation**

- 4.1 This report is for comments.

### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 Not applicable.

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 Comments from members of the Corporate O&S Committee can be used to inform policies relating to the employment and management of staff and agency workers.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Mike Jones**  
**Management Accountant**

There are no direct financial implications as a result of the report. The variance to the staffing budget has been factored into the Council's forecast financial outturn position, as previously reported to Cabinet. Given the ongoing pressure on Local Authority finances, pressure within staffing budgets will need to be reviewed going forward.

### **7.2 Legal**

Implications verified by: **Fiona Taylor**  
**Director of Law and Governance**

The main guidance to consider in relation to this report are the Agency Worker Regulations (AWR) which provides agency workers the entitlement to the same basic employment and working conditions as if they had been recruited directly, if and when they complete a qualifying period of 12 weeks in the same job. AWR needs to be considered and applied in all cases when engaging an agency worker.

### **7.3 Diversity and Equality**

Implications verified by: **Becky Price**  
**Community Development Officer**

This report addresses both permanent and temporary staffing levels across the Council. Diversity and Equality information is gathered on both groups and monitored regularly throughout the year to ensure that the Council's workforce remains diverse and its policies fairly applied. Any policy reviews undertaken as a result of this report will be done so with an ECIA to ensure they do not adversely affect any one staff group over another.

### **7.4 Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Not applicable

**8. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Incremental Progression and Annual Audit Report 2014-15

**9. Appendices to the report**

- Appendix 1 – Types of agency staff
- Appendix 2 - Performance ratings for permanent staff 2014-15

**Report Author:**

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