

PLYMOUTH CITY COUNCIL

Subject: Workforce Overview
Committee: Co-operative Scrutiny Board
Date: 27 November 2013
Cabinet Member: Cllr Pete Smith
CMT Member: Mark Grimley, Assistant Director HR & OD
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Ref:

Key Decision: No
Part: One

Purpose of the report:

To provide information and an overview of the workforce changes of the past few years, and an indication of future direction and challenges.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None identified.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

It is recommended that:

- I. the Co-operative Scrutiny Board note the contents of the report.
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Alternative options considered and rejected:

None.

Published work / information:

None.

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	n/a	Leg		Mon Off		HR		Assets	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member: Mark Grimley, Assistant Director for Human Resources and Organisational Development													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 INTRODUCTION

1.1 This report will provide an overview to the Co-operative Scrutiny Board as the Council prepares for the annual budget scrutiny in January 2014 where the administration will set out plans for the transformation of the Council to save £65 million over the next three years and develop the Brilliant Co-operative Council.

1.2 Plymouth City Council, as a single tier local authority, is a complex and large organisation. The majority of the output from the organisation is requisite on the delivery of the workforce. The Council employs staff on centrally provided services (within our directorate structures under the chief executive) and 48 maintained schools with 800 teachers and 1,000 support staff. This report predominantly refers to centrally employed staff in the directorates.

1.3 As part of the launch of the Council's Corporate Plan to become a Brilliant Co-operative Council, the chief executive and senior managers have now held over 70 face to face briefings with staff to explain what this means and work with our employees to develop the future shape of the Council.

1.4 Our workforce is not governed by a single set of terms and conditions agreed locally. We have a number of bargaining units (groups of staff) determined by the national bargaining mechanisms (national joint councils (NJC)) for local government with formal bargaining taking place through joint negotiating committees (JNC). Therefore any change in one group as a result of national or local bargaining changes needs to assess the impact and parity with the other groups to avoid legal challenge. The risk of such challenge is greater where the Council has more authority over locally agreed terms and conditions.

1.5 Our bargaining units and employee representative groups (professional bodies or trade unions) are:

Unit	Staff groups
National Employers Organisation for School Teachers (NEOST)	Teachers (Burgundy Book)
Soulbury Committee	Education Professionals (Soulbury)
NJC for Local Government Services	Local government employees (Green Book)
JNC for Youth and Community Workers	Youth workers
JNC for Chief Officers	Chief officers
JNC for Chief Executives	Chief Executive
(Various professional bodies for doctor groups, nurses, allied health professionals etc)	Public Health
JNC for Local Authority Craft & Associated Employees	Craft workers (Red Book)
JNC for Coroners	Coroner

(NJC = National Joint Council, JNC = Joint Negotiating Committee)

2.0 WORKFORCE PERFORMANCE MEASURES

Numbers and cost

2.1 Plymouth City Council currently employs around 7,000 staff; around half of these are in schools and the other half in central services. The majority of Council services are provided in-house with major exceptions being highways maintenance (Amey Partnership) and an increased number of residential and adult social care placements being commissioned to providers across the private, public and community sectors. The breakdown being (Table one):

TABLE ONE: Current employee numbers (September 2013)

Group	Number	Full Time Equivalent
Centrally Employed (all staff)	3,791	3,017.2
Schools (teachers)	901	790.0
Schools (support staff)	2,296	1,033.0
TOTAL	6,988	4,840

2.2 The basic salary bill for the Council's centrally employed staff is around £76 million. With additional employer costs (such as pension contribution, National Insurance) this rises to around £90 million. Schools wage bills are similar. Therefore the total economic contribution to the city that the Council contributes through employment is around £150 million per year as a major employer.

2.3 Over the past four years, the Council has delivered against an aggressive reduction in funding from central government. This has resulted in us having to manage the workforce and numbers more robustly. We have been successful in minimising redundancies whilst delivering on the projected workforce reductions. Between 2010/11 and 2012/13 financial years, we set a target of a reduction of 500 posts which was exceeded. The total reduction between April 2010 and September 2013 has been the equivalent of 735 FTE posts which represents a 20 per cent reduction (Table two). This represents a reduction in the basic wage bill from £90 million to £76 million over three financial years.

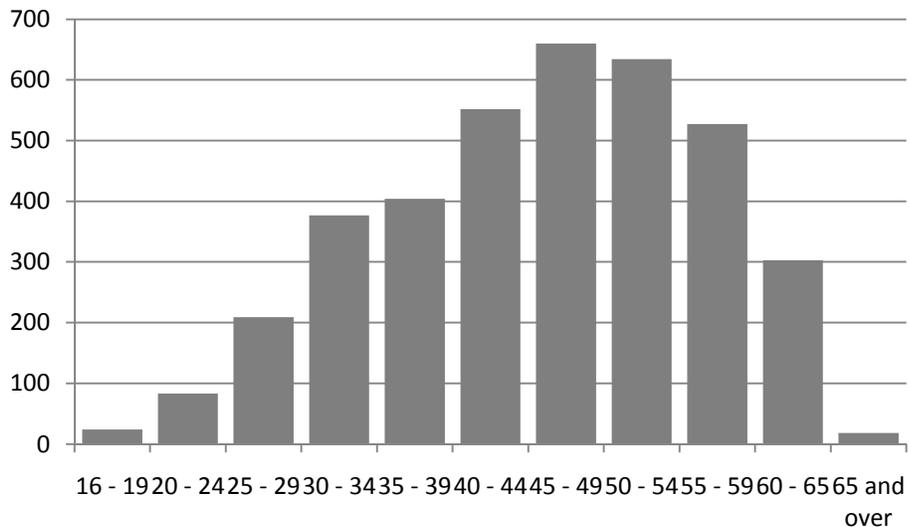
	Apr 2010	Apr 2011	Apr 2012	Apr 2013	Sept 2013
Number Ee's	4,921	4,713	4,158	3,909	3,791
FTE	3,752	3,671	3,250	3,111	3,017

Demographics

2.4 As reflected across public services, the council has a different composition to the typical employer in a city. Over two-thirds of our workforce is female of which over half of them are part-time.

2.5 We also have an aging workforce. Nearly 40 per cent of our staff are over the age of 50 years. At the same time, our younger workforce is not replacing this likely turnover (Chart One, below). This presents a number of key issues for the Council. Firstly, our engagement scores for staff show the over-50's less engaged in the work of the Council. More work will need to be done to provide engaging and challenging work and make better use of the skills and experience of the older workforce. We should also consider how more experienced members of staff can help develop the workforce of the future, as well as adopting the new skills required to work in the current environment and making better use of technology as it develops faster.

CHART ONE: Distribution of age



2.6 Our younger workforce are the most engaged, this is particularly reflected in our successful apprenticeship programme for 16 – 20 year olds that has seen over 100 young people enter training and employment through the Council. More work needs to be done on attracting the 20 – 30 year old age professional roles from the strong graduate pool we have in the city. As the technical skills for roles become more demanding, a mix of apprenticeship talent and graduate-entry level roles will be vital to avoid a loss of skills and technical ability over the next 10 years, or more so in the near future to deliver the future Council through transformation.

2.7 We have a large, part-time workforce. This has many advantages of flexibility in delivering services, work-life balance for staff and also challenges in the operational use of staff and ensuring communication and engagement are strong. It also relies heavily on a competent operational management tier. Table Three shows that two thirds of our workforce is female and of those more than half are part-time. In comparison, the male group of workers are predominantly full-time employees.

TABLE THREE: Hours of work and gender comparison (Percentage)

	Female	Male
Part-time	36.9	4.8
Full-time	30.2	27.9

2.8 The representation of female employees at senior levels is around 50 per cent of these posts, however, it varies widely across professional areas. Part of the future talent strategy should consider looking at developing professional routes of progression from apprenticeship or entry level through to senior leadership and technical levels, also attracting more female workers into technical professional roles.

2.9 As a city, Plymouth's demographic make-up is changing, reflecting migration patterns. However, it is not a very diverse city. BME groups of staff are not particularly represented in proportion to the City's wider demographic distribution.

Engagement

2.10 Since 2007, the Council has run a staff survey. In 2010, we changed the focus of the survey to look at levels of staff engagement as an indicator of productivity, the Council being a good employer and enhancing the voice of the workforce.

2.11 Engagement has risen as a result of the approach from 51 per cent of staff positive and engaged within the Council to 62 per cent in 2012. We are currently undertaking the 2013 survey. Additionally, participation in the survey has more than doubled since the low response rate in 2007 with nearly 60 per cent of the workforce now responding. These figures are now above average for local government and comparable with private sector averages.

2.12 Key areas for development identified is the visibility of senior managers and the follow through of actions arising from the survey. On the first point, senior managers across the council are now increasing face-to-face briefings with staff, some are doing 'back to the floor' approaches and the chief executive and directors have personally led the engagement of the new Brilliant Co-operative Corporate Plan and organisational values to over 1,800 staff over the past three months.

2.13 Despite the difficult financial pressures, increase in the demand for services and reductions in staff, engagement has held over the past two years. The Council has a committed workforce who respond well to up front, honest communications and the ability to have their say and shape the future of the Council.

2.14 Over 200 staff have been involved in shaping the 'Blueprint' (target operating model) for the Council's transformation programme. Staff suggestion schemes and a 'thank you' scheme are all being introduced by the administration to encourage this participation.

2.15 Further work to increase staff representation is required. Our formal negotiation mechanisms are through our recognised trade unions and the Council's Employment Liaison Committee, however more than 70 per cent of staff are not a member of a trade union and therefore the Council needs to build in more regular communication, consultation and information sessions for all staff when discussing proposed changes that will affect groups of staff and seek an early input to the negotiations through collective bargaining. To this effect, the Council should seek to introduce a mechanism such as works councils for staff to elect representatives and be the conduit for consultation and engagement co-operatively and provide a stronger voice for staff. This should not however replace collective bargaining but enhance the voice and views of staff in the process.

2.16 The Council has also recently refreshed it's communication approach and more staff are using social media and other communications methods to engage, feedback and self-organise. This should be embraced and encouraged.

3.0 OTHER INDICATORS

Sickness

3.1 Sickness absence has been a perennial interest for various Scrutiny meetings. Absence indicates both productive, engagement and working conditions. As Scrutiny often review this, this report is brief. However, since a determined focus and system-wide changes we introduced on the instruction of the Deputy Leader, sickness absence has fallen and exceeded the target. The table below shows sickness absence rates:

TABLE FOUR: Average days sickness per FTE

	Apr 2010	Apr 2011	Apr 2012	Apr 2013	Sept 2013
Number Ee's	12.5	12.92	9.70	9.24	7.90

3.2 The total number of days lost through sickness absence has fallen from 47,471 to 25,290. This is equivalent of 101 FTE improvement for productivity or £2.5 million of salary paid in days recovered that had previously been lost to sickness absence.

3.3 A continued focus, prompt action and clear management expectations need to be maintained to consolidate the progress made in this area.

Appraisals

3.4 In 2010, the Council ceased paying automatic increments and introduced a performance-related system linked to competency appraisals. Completion rates have been consistently high and this has helped focus on performance improvements.

3.5 The completion rates and outcomes since then have been:

TABLE FIVE: Appraisal percentage completion rates and outcomes

	Return Rates	Exceeds Expectations	Meets Expectations	Did Not Meet Expectations
2010	94	11.5	85	3.5
2011	100	13	84	3.3
2012	99.4	14	83	3

3.6 Over the forthcoming years, the Council will need to review the effectiveness of the appraisal system and how it links to corporate objectives and values. Additionally, there needs to be a further move towards quality conversations and appraisals beyond the competency-focussed conversations that can often take too long. Furthermore, to assist in future workforce skills and planning, a more robust approach to linking objectives to both short term and long term capabilities for the Council will be required, along with considerable training, coaching and mentoring of line managers and supervisors to fully embed a performance system. This will form part of the Council's transformation programme.

3.7 The appraisal system, once embedded, can provide further dimensions of assessment including technical and professional competence, values and behaviours, future potential and trajectory and contribution to organisational objectives. This should help address some of the issues identified within the demographics around valuing and encouraging the contribution of an older, experienced workforce in developing the younger workforce, talent management, succession planning and rewarding contribution rather than just focussing on standardised competences.

Agency staff

3.8 The use of agency staff allows greater flexibility within the workforce and is a tacit part of our resourcing strategy. Covering both short-term roles and sourcing specialist skills when required. The Council has been actively managing the use and deployment of agency staff to ensure it is a managed service and not a default position, meaning we receive value for money. We aim to keep agency spend under 5 per cent of the Council's total wage bill. In more recent months, and as the transformation progresses, short term capacity will need to be increased and specialist skills from the market may exceed this 5 per cent limit.

3.9 Over the past 12 months, legislation has also increased the cost of using agency staff through requiring employers to pay the same rate of pay to agency staff after 12 weeks placements, auto-enrolment for pensions.

TABLE SIX: Agency spend and percentage of the wage bill

Financial year	Total Spend	Percentage of Staffing Bill
2009/10	£7,078,177	No data
2010/11	£ 6,521,614	No data
2011/12	£ 5,575,290	5.5
2012/13	£ 6,122,318	6.3
Current YTD	£ 3,405,606	7.5

Turnover

3.10 The Council's turnover in 2013/14 to date has remained constant and comparable to other years. We have not seen any significant changes in the turnover rate. In September 2013, our year-to-date turnover was at 11.3 per cent. Local authority averages tend to be consistently around 12 per cent.

3.11 Of the 431 leavers to date this financial year, there have been 46 compulsory redundancies representing around 10 per cent of the leavers. Our compulsory redundancies remain very low given the economic cycle. So far this financial year 75 employees have been placed at risk of redundancy, although this includes 30 staff from the proposed closure of a care home.

3.12 Redeployment has been successful since introducing a new approach and better support for staff at risk of redundancy. However, it is getting harder to redeploy with our rate of successful placement now at around 15 per cent as we hold open vacancies to manage the Council's financial outturn for the current year and prepare for further workforce reductions in future years.

Formal procedures

3.13 The Council has reformed its policy framework for formal procedures including disciplinary, capability and grievances. Reducing the number of policies has been key to ensuring we have a fairer system, clearer approach and expectation and modernising terms and conditions.

3.14 We have simplified the appeals process and removed many policies that were not adding value. In addition, we introduced a new capability policy to address sickness absence and other reasons for poor performance, replacing the need for disciplinary action. This focuses on an outcome that seeks to support and help employees improve, but is also clear that the employee has a duty to participate and work hard. This has helped reduce the sickness absence levels to current lows.

3.15 Over the next few years, the Council should consider moving away from formal policies and procedures and develop a coaching and mediation capability within the organisation to resolve matters before formal procedures are necessary. This would help build a more positive culture, but also reduce the overheads associated with high levels of formal action being taken.

3.16 The Council remains high within our benchmarking group for formal action being taken against employees – partly as a result of the introduction of the capability process and tackling historic sickness absence.

4.0 IMPROVEMENTS FOR THE WORKFORCE

Employee development

4.1 In 2011, the Council introduced the Enterprise Leadership Programme (ELP), to develop leadership capacity and future senior managers within the Council. We are now on our third cohort of employees and we will expand the programme for our partners in 2014 with participation from the Fire Service, the Police and Health.

4.2 The programme has been recognised nationally for excellence in human resources practice and for course content and it is now our flagship development programme for aspiring managers.

4.3 Additionally, the Council introduced a new apprenticeship programme in 2010, using existing resources and job roles to create employment opportunities, training and education. Once again, this programme has expanded through its success and in 2014, it will reach 100 apprentices on the programme, far in excess of our original target.

4.4 Like the ELP, our programme for apprentices is recognised nationally. In 2013 Plymouth City Council won the Large Regional Employer Award, finalists in the national Brathay Challenge and is now the South West flagship programme for the Apprenticeship Service, reaching the national finals in Birmingham earlier this month and being named as one of the top 100 apprenticeship employers in the country – in good company with major private sector corporates.

4.5 To embed the Council's new values and provide awareness of the Council's 'Brilliant Co-operative Council' strategy, we run a comprehensive induction programme including a welcome event, six-month induction cycle and workshops. Additionally we now provide a 'buddy' system for new people to get to know another part of the Council and other colleagues. A local induction is undertaken in the service areas, including requirements for tailored health and safety training,

Reward and Benefits

4.6 Improving our reputation as an employer has seen the introduction of a number of schemes designed to provide added value beyond the normal compensation and reward.

4.7 The Council's 'Our Stars' awards are held in September each year and recognise the work and contribution of individuals and teams. Over 200 staff are invited to attend this special ceremony along with those with long-service awards and their partners. Managers are encouraged to attend and there has been a good presence from Councillors to thank staff and recognise their achievements. To enhance this, the Council will introduce in December a 'thank you' scheme that will run all year round and allow for more people (by ballot) to attend the annual 'Our Stars' events.

4.8 Additionally, over £100,000 of benefits have been accessed by staff through the Council's iChoose benefit scheme. This includes competitions, vouchers, discounts and salary sacrifice schemes. Around 1 in 5 staff access this, our focus will be on increasing this take-up and awareness over the next year to provide wider benefits. We also ensure we have a focus on local businesses to encourage financial spend within the city and contribute to the local economy.

4.9 To support the welfare of staff, we have introduced an Employee Assistance Programme (EAP) and put in place a new occupational health contract with a local firm. Employees can access support, advice and online/telephone counselling at any time and not necessarily for work-related issues. This has been particularly helpful when employees are experiencing change in the workplace or difficulties at home. In addition, we provide work-based activities, such as flu jabs, smoking cessation and health checks regularly to promote health and wellbeing in the workplace.