

**Report for:** Staffing & Remuneration Committee, 31 March 2016

**Item number:**

**Title:** People Management Report, Q3  
October to December 2015

**Report authorised by :** Jacquie McGeachie, Assistant Director HR & SSC

**Lead Officer:** Carole Engwell, HR Quality Assurance Manager

**Ward(s) affected:**

**Report for Key/ Non Key Decision:** Non-key

**1. Describe the issue under consideration**

1.1. The report provides the Committee with data regarding the workforce including non-employed workers, sickness absence and equalities data for the period October to December 2015.

**2. Cabinet Member Introduction**

2.1 Not applicable

**3. Recommendations**

3.1. The report is provided for information and for the Committee to note.

**4. Reason for decision**

4.1. Not applicable. The report is for noting.

**5. Alternative options considered**

5.1. Not applicable.

## 6. Background information

### 6.1 Data Summary: Consultants and Interims

A comparison of the spend and number of contracts at Q2 and Q3 is as follows

Details at the end of the Quarter	Q2	Q3	
Live contracts at end of quarter	64	55	↓
Number of leavers during the quarter	19	17	↓
Number of starters during the quarter	15	11	↓
Estimated quarterly spend (Gross)	£ 1,010,825	£ 1,258,639.00	↑
Estimated quarter spend (Net)	£ 83,992	£ 77,445	↓
Average length of service	11.9 months	13.6 months	↑

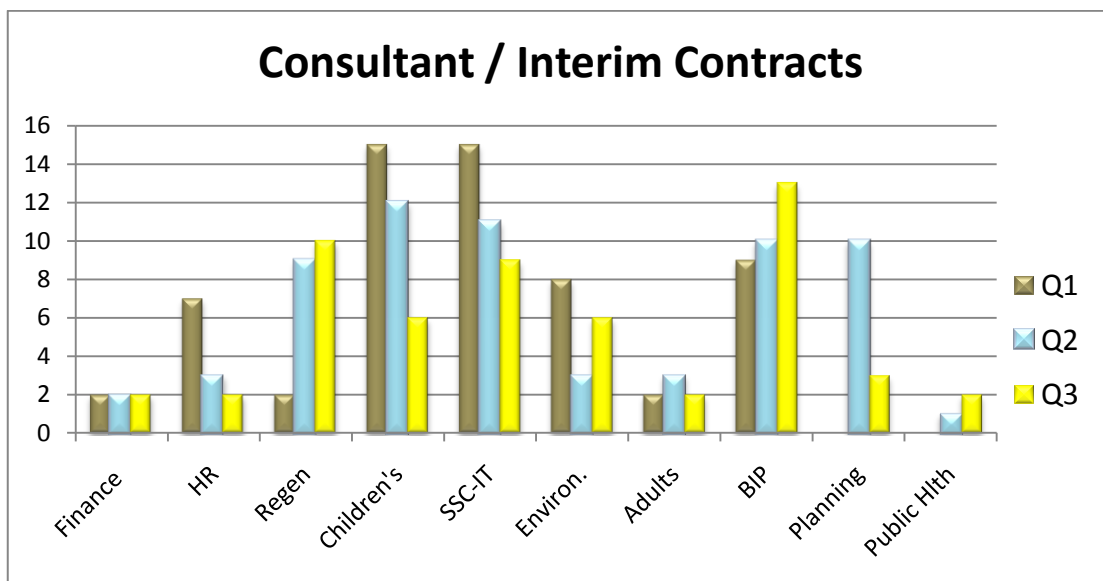
6.2 The number of contracts has reduced over the quarter and is expected to reduce further during the January - March period (Quarter 4) as the contracts for those working on the Business Infrastructure Programme are due to come to an end, with a subsequent spend reduction of approximately £200,000.

5 of the 11 new starters in Quarter 3 were in the BIP programme and this has been the trend over the past few quarters. It is likely that as transformation projects end over the coming year that the use of Consultants will mainly be in specific areas rather than spread across the Council. The areas of Regeneration and Adult Services for example, may show an increase as a response to external changes, while other areas will continue to decrease.

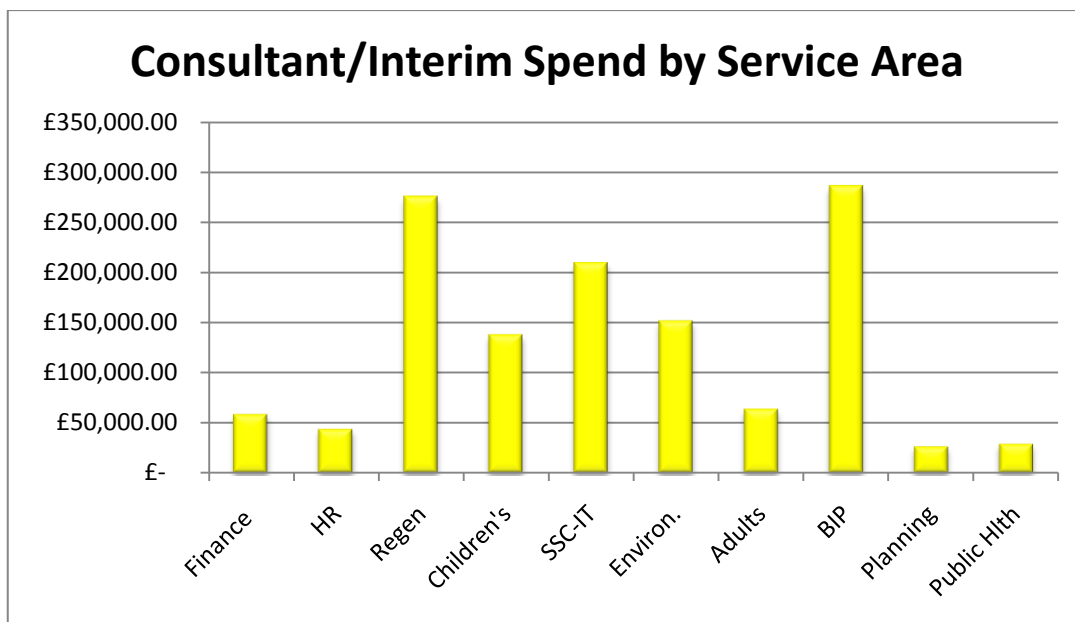
6.3 The BIP programme is a time limited transformation project. The project resources are temporary in nature and staffing numbers increase and decrease over time as projects are approved and implemented. The project seeks to use internal staff where possible, however, as projects often require additional capability and capacity and sometimes new skills are brought into the organisation to decrease the risk of projects failing and benefits being lost.

6.4 The number of Consultants in Regeneration has also increased mainly due to the Housing Transformation Programme. Of the nine people contracted in the Regeneration area, five people are working on the current review of the Housing team, and on the subsequent implementation. The Housing Transformation Programme is due to be completed at the end of March 2016 and permanent appointments will be made following the completion of the review.

- 6.5 Of the remaining four Regeneration consultants, two are providing specialist support to discrete time limited projects and a permanent appointment would not be appropriate. One interim post has been advertised with interviews planned for early March. The final post, which is funded partly by Regeneration and partly by Procurement, is based in Corporate Procurement and is providing specialist input to the team carrying out a review of the procurement function.
- 6.6 The average daily rate of a leaver during Quarter 3 was £481, the average daily rate of a starter was £517. The slight increase in daily rate may be the reason for the spend to have increased over the quarter. Due to the rate change part way through Quarter 2, the annual estimated spend for the year was based on the cost from April 2015 until the end of the financial year. The estimated annual spend for Quarter 3 has been based, as with other quarters, on an assumption of 200 days per year being worked, as a result, the estimated spend for Quarter 3 is showing as a slightly higher figure.
- 6.7 The number of live contracts and the spend in each Service Area is as follows:

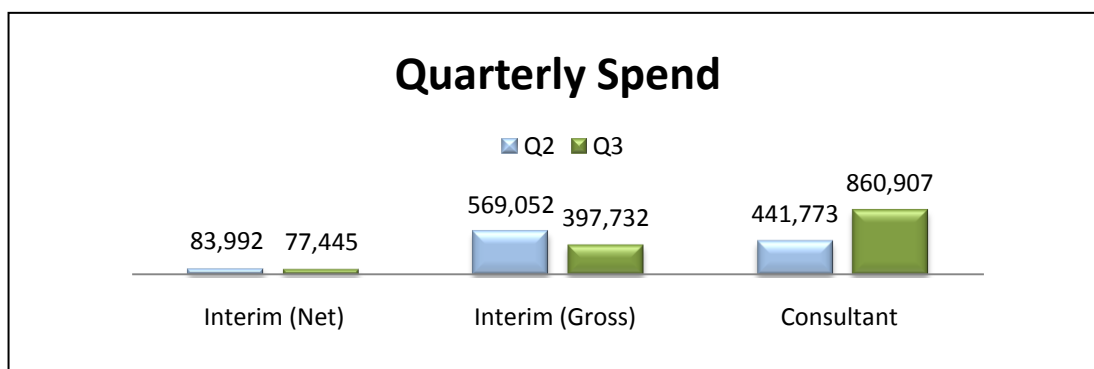


A summary of the quarterly spend by Service Areas is as follows:

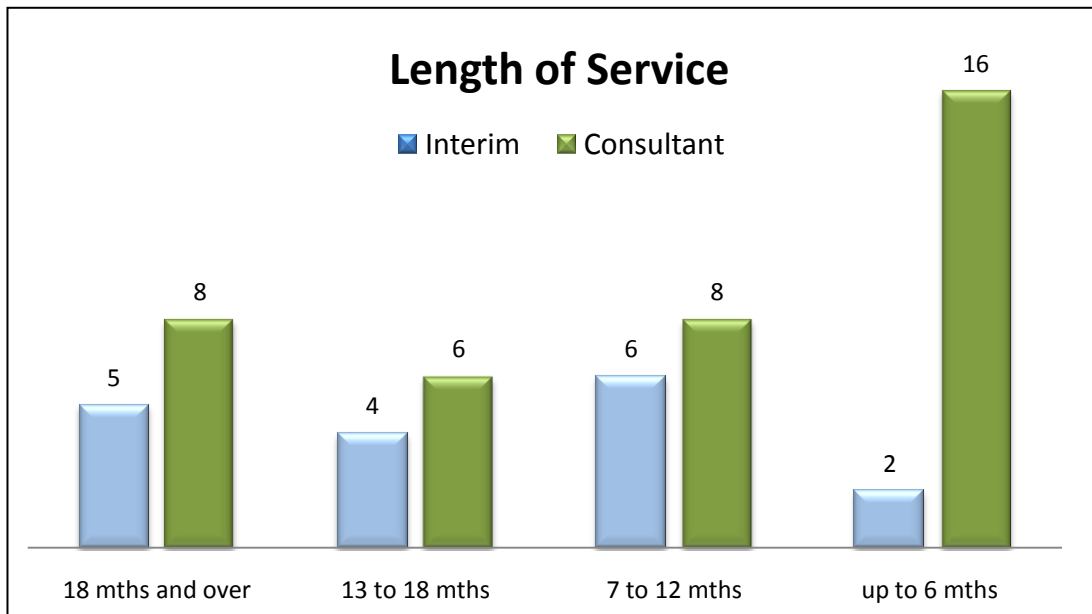


Service Area	Spend	Service Area	Spend
Finance	£ 58,654.00	Environment	£ 151,700.00
HR	£ 43,806.00	Adults	£ 63,797.00
Regeneration	£ 275,309.00	BIP	£ 285,801.00
Children's	£ 137,871.00	Planning	£ 26,500.00
SSC - IT	£ 209,550.00	Public health	£ 29,250.00

6.8 Details of the quarterly spend broken down by net and gross spend on Interims is as follows:



6.9 The average length of a contract is just under 14 months. The breakdown for the current quarter shown by Interims and Consultants is shown below. As is to be expected, those working on a longer term change project tend to have slightly longer contracts than those covering an established vacancy. As can be seen from the chart below, 18 contracts have been in place for 6 months or less, with 23 contracts in place for over 12 months.



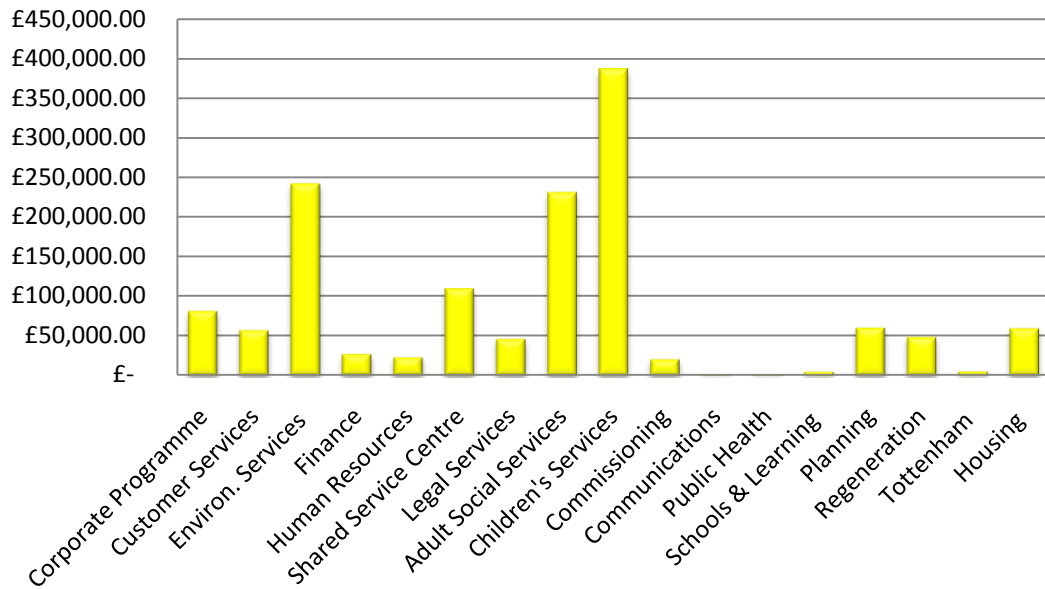
#### 6.10 Agency Summary

A summary of the spend and fte contracts over the quarter is as follows:

	October	November	December
Spend (£)	1,615,219	1,669,890	1,414,088
FTE contracts	408	399	357

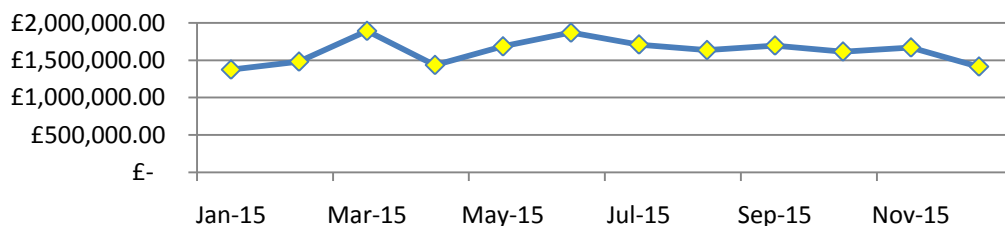
The spend by Service Area for December is shown below. Although spend has been up and down over the year, there was very little change between the spend in January and December at approximately, £1.4m per month.

## Agency Spend: December 2015



Service Area	Agency Spend	Service Area	Agency Spend
Corporate Programme	£ 81,735.46	Children's Services	£ 386,552.85
Customer Services	£ 57,529.72	Commissioning	£ 21,186.62
Environ. Services	£ 242,007.17	Communications	£ 2,431.33
Finance	£ 27,624.27	Public Health	£ 2,371.41
Human Resources	£ 23,558.63	Schools & Learning	£ 5,385.31
Shared Service Centre	£ 110,247.11	Planning	£ 60,974.55
Legal Services	£ 46,651.78	Regeneration	£ 48,974.83
Adult Social Services	£ 230,993.77	Tottenham	£ 5,747.02
		Housing	£ 60,117.16

## Agency: Annual Expenditure



### 6.11 Agency Key Facts

The 2015 Annual Review carried out by Hays has shown that whilst the number of contracts has reduced during 2015 when compared to 2014, the total spend has increased during the year.

- The number of starters during the year dropped by 30% to 812 people
- The number of contracts that were extended increased by 20% to 1,616
- The number of annual hours billed reduced by 12.8%
- As a result of the procurement rate reduction exercise, a saving of £24,300 was made between September 2015 and January 2016
- The annual spend increased by 16% compared to 2014
- The average hourly rate increased by 7.45% to £31.51 per hour which was in part due to an increase in the number of higher paid social care roles being undertaken.

## **6.12 WORKFORCE DATA**

### **6.12.1 Headcount & Disability**

Staff numbers reduced by 78.7 fte posts in the past three months to a headcount of 2,301 fte posts. Since the start of the financial year, the headcount has reduced by 160 fte posts. The medium term financial strategy identified a reduction of 235 posts by the end of March 2016.

- 26% of staff work part time, no change from Q2
- 10% of employees classify themselves as having a disability, no change from Q2
- 2.3% people with a disability are in the top 5% of earners, no change from Q2

### **6.12.2 Gender**

- Workforce remains predominantly female with women making up 68% of the workforce.
- Women also outnumber men in all grades including senior grades
- 62% of all new job applications are from women
- Men are more likely to be subject to disciplinary action but women are more likely to take out a grievance.

### **6.12.3 Age**

- Average age of a council employee is 47, this has been consistent for the past few years.
- Majority of staff (37%) are aged 45 – 54
- Employees under 24 form only 1.4% of the workforce
- In the last year, the highest number of new joiners were in the 25-34 age range, the highest number of leavers were in the 45-54 age group.

#### 6.12.4 Ethnicity

- 52% of staff are from a black, asian or minority ethnic (BAME) background
- BAME employees are more likely to raise a grievance (53%) compared to their white colleagues (10%), and to be the subject of disciplinary action (64%) compared to white colleagues (12%)
- 67% of BAME staff are employed in the Sc1 - 5 range which has a maximum salary of £24,027, while the majority of White staff are in the more senior grades at PO8 with a maximum salary of £43,133.

#### 6.12.5 Sickness Absence

- The average number of days absence per employee has reduced by 0.2 days over the year, to an average of 8.3 days at the end of December 2015.
- 58% of all absence was classified as long term (20 days or more) a reduction of 5% during the year.
- The cost of absence reduced by £135,039 over to year to stand at £2,130,533 at the end of December.

#### 6.12.6 Employees Living in the Borough

At the end of the quarter, there were 787 employees who were living in the borough of a total headcount of 2,301. The breakdowns is as follows:

Apprentices	7
Scale 1 - 5	341
Scale 6 – SO2	141
PO1 - 4	192
PO5 - 8	56
Senior Managers	12
Other (including Educational Psychologists; Social Workers, Occupational Therapists etc)	48

62% of staff are employed below the first level management grade of PO1, with 38% of people employed in management or professional grades.

The lower grades tend to be entry level jobs and it may be that these employees come to work here because it is local and therefore travel costs are less, they are able to take advantage of good flexible working conditions if they have a family to look after or if they have children to take to local schools. As staff progress in their career, they are likely to be older with reduced family responsibilities and so are more prepared to travel further for job opportunities.

### 7 Contribution to strategic outcomes

- 7.1 The use of non-employed staff across the across the organisation contributes to the council's aim of moving towards a more flexible and agile workforce. The scale of change and number of areas that are and will be in the future, undergoing restructuring will require this flexibility to continue.



7.2 Consultants and interims bring with them a different skill set that have not previously been required in the workforce and these skills are being transferred to employees as the contracts progress.

**8 Statutory Officers' comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities**

8.1 There are no legal implications arising from this report.

8.2 The current regime in place supporting the engagement of agency, consultant and interim staff requires a completed business case setting out the funding available to cover the costs of these appointments. This ensures that the managers are taking full budgetary responsibility for their decisions and the requirement to provide regular business cases for extensions provides challenge to ensure that greater focus is placed on moving towards permanent recruitment or the positive and timely delivery of agreed outcomes.

**9 Use of Appendices**

Appendix 1: Consultant / Interim Spreadsheet

Appendix 2: Equalities Scorecard Q3

**10 Local Government (Access to Information) Act 1985**

Not applicable.