

## EXETER CITY COUNCIL

### SCRUTINY RESOURCES 22 JUNE 2011

#### WORKFORCE PROFILE AND LEARNING AND DEVELOPMENT REPORT 2010/2011

#### 1. PURPOSE OF REPORT

- 1.1 To provide the Committee with a comprehensive profile and overview of key workforce and learning and development activities for the Council between April 2010 and March 2011.
- 1.2 To provide some benchmarking and statistical data from a local, regional, national or industry basis as appropriate.
- 1.3 To highlight any trends and interventions recommended as appropriate.

#### 2. BACKGROUND

- 2.1 The Council acknowledges that its workforce is both valuable and costly and in order to deliver quality services it must have a clear understanding of workforce issues now and for the future.
- 2.2 The current economic climate nationally but more particularly on local government, has had a substantial impact on the Council over the past year. The adverse conditions are likely to continue in the foreseeable future and the ongoing impact on the Council will result in the continuing increase in the number of redundancies and the overall decline in headcount with the emphasis on the protection of front line services.
- 2.3 Nationally the redundancy numbers over the past year have fallen to 6.2 per 1,000 employees, down from 7.1 per 1,000 employees in the previous year. Figures are not available for a public/private sector split although it is recognised that redundancies in the public sector are likely to increase over the next 2 years as the private sector begins to come out of recession.
- 2.4 The national unemployment rate at year end fell from 8% in 2010 to 7.7% with 2.46 million people unemployed. The rate for the South West was lower at 6.2% (163,000 unemployed people).
- 2.5 The 16 -24 year old age range continues to suffer higher than average levels of unemployment at 23.22% (935,000 people), but this figure is again down on last year's figure of 30%.
- 2.6 The population estimates and distributions for Exeter and the Heart of Devon sub region are unlikely to be representative of the current population since they have not been updated since 2009 as the Office of National Statistics is in the process of reviewing its formula for calculation which will be influenced by the results of the 2011 census once this is available. The chart below represents the latest figures available for the area.

<b>Population estimates Exeter and Heart of Devon 2009</b>	
Total population	457,400
Under 16s – below national average	18,300
People of working age – above national average	82,900
People of retirement age – below national average	21,200

### 3. WORKFORCE PROFILE

3.1 The challenges within local government remain fairly consistent and are unlikely to change given the current reduction in overall size of the workforce with the City Council; a factor in common with most other local authorities due to budget cuts, the government challenge of reducing the overall public sector workforce with the objective to achieve more for less. The key issues remain as previously reported with :

- An ageing workforce
- Lower levels of women in senior posts
- Lower levels of young people being recruited
- Competition from the private sector for some professional roles
- Diversity in terms of skills, work patterns, locations and working practices
- Need to ensure opportunities support a work life balance

3.2 The main strands of this report concentrate on:

- Baseline workforce data
- Turnover – including restructuring
- Sickness Absence
- Overtime
- Equality
- Learning and development
- General employment statistics

#### 3.3 Workforce Profile by Grade

The total number of employees as at 31 March 2011 was 845 (equating to 767 FTE) - down from 908 last year, these were distributed in the pay and grading structure as follows:

Grade	% of employees	
	2009/10	2010/11
1	5.51	<b>5.56</b>
2	8.31	<b>8.52</b>
3	9.66	<b>7.69</b>
4	12.47	<b>14.91</b>
5	20.00	<b>18.93</b>
6	13.60	<b>13.61</b>
7	8.09	<b>8.05</b>
8	7.08	<b>7.57</b>
9	5.96	<b>5.80</b>
10	3.26	<b>3.43</b>
11	1.57	<b>1.78</b>
12	1.69	<b>1.78</b>
13	1.46	<b>1.42</b>
14	1.01	<b>0.95</b>
Other	0.33	<b>0.00</b>

- Grades 4 – 6 continue to represent the greatest range of movement for pay grades, but there has also been some change around grades 11 and 12. Overall there is now 50% of the total workforce employed at grade 3 – 6 a reduction of 6% on last year. This is indicative of a change process and re-organisation where fewer staff is increasingly taking on a wider breadth of duties which is reflected through the JE and pay grading system.

### 3.4 Workforce Profile by Age

Age Group	Female %		Male %		Total %	
	09/10	10/11	09/10	10/11	09/10	10/11
16-25	2	<b>2</b>	2	<b>2</b>	4	<b>3</b>
26-35	11	<b>11</b>	9	<b>10</b>	20	<b>21</b>
36-44	10	<b>11</b>	13	<b>11</b>	23	<b>22</b>
45-54	13	<b>13</b>	17	<b>18</b>	30	<b>31</b>
55-60	5	<b>5</b>	10	<b>11</b>	15	<b>16</b>
61+	3	<b>2</b>	5	<b>5</b>	8	<b>7</b>
	45	<b>44</b>	56	<b>57</b>	100	<b>100</b>

- The age profile for the Council is in line with the national trend with a continued movement upwards in the older age brackets. In addition the current low turnover rates will inevitably move the age profile upwards year on year.
- The age profile of the current workforce with 54% of staff being in the 45+ age bracket will need to be considered in developing the Workforce Plan and future succession planning. However, since the coming year is likely to have a high impact on the workforce profile following the implementation of the new management structure this cannot realistically be addressed until April 2012.

### 3.5 Workforce Profile - Ethnicity

Profile as at 31 March 2011:

Ethnic Origin	Head count		% Percentage	
	2009/10	2010/11	2009/10	2010/11
Not known	77	<b>37</b>	8	<b>4</b>
Black African	1	<b>3</b>	<1	<1
Chinese	1	<b>0</b>	<1	<b>0.00</b>
Indian	3	<b>4</b>	<1	<1
Irish	2	<b>2</b>	<1	<1
Mixed	4	<b>4</b>	<1	<1
Other	1	<b>3</b>	<1	<1
White Asian	2	<b>2</b>	<1	<1
White other	21	<b>32</b>	2	<b>4</b>
White UK	796	<b>760</b>	88	<b>90</b>
<b>Total</b>	908	<b>847</b>		

### 3.6 Workforce Profile – Disability

Profile as at 31.3.11

Declared disability	Head count		% Percentage	
	2009/10	2010/11	2009/10	2010/11
Not known	158	<b>144</b>	17	<b>17</b>
No	725	<b>680</b>	80	<b>80</b>
Yes	25	<b>23</b>	3	<b>3</b>
<b>Total</b>	908	<b>847</b>	100	<b>100</b>

- The ethnicity statistics are broadly similar to previous years and the overall percentages remain relatively constant despite the reduction in headcount. This indicates the Council's procedures used to achieve restructuring outcomes are equality compliant.

- Disability and ethnicity data for employees is reliant on those employees making a declaration to inform the Council. The improvement in the number of “not known” for ethnicity resulted from the data checking exercise which was carried out during the year.
- Where small numbers of employees are reported a small reduction in numbers can have a significant impact on percentages.
- There has been an overall decrease in headcount of about 7% in the past year.

### 3.7 Workforce Profile – Turnover

There is always a need for some level of turnover to ensure the general health of an organisation and growth and development of new ideas.

For 2010/11 our turnover rate using the formula below was 13% which is a 2% increase on last year; the national average turnover for local authorities is 11.5%. However due to the factors of vacancy management, redundancy and the overall reduction in headcount this is not a true “turnover” figure. A truer turnover value is around 8%; this excludes staff in the redundancy and TUPE transfer category. Nationally the turnover figure for local authorities is between 7% and 8%.

The table below gives details of reasons for staff leaving the Council.

*[Turnover is calculated using the standard “crude wastage” method  

$$\frac{\text{Number of leavers}}{\text{Average number of employees}} \times 100$$*

Turnover – reason		Turnover – Directorate	
Reason	Number	Directorate	Number
Resignation	40		
Redundancy	25		
Death in service	2	Chief Executive	2
Dismissal	6	Community and Environment	62
Early voluntary retirement	6	Corporate Services	15
End of temporary contract	13	Economy and Development	32
Ill health retirement	2		
Normal retirement age	12		
TUPE Transfer	5		

### 3.8 Workforce Profile – Overtime

The use of overtime can be an essential business strategy to ensure the effective delivery of services. This method is often preferable to engaging agency staff or recruiting to temporary posts, particularly to address short term issues.

Overtime can however, be costly and for this reason its use is managed within defined salary budgets and is accounted for through financial management processes.

Comparison of overtime hours worked 2008 – 2011 with costs for 2010/11:

Directorate	2009/10	2010/11	Cost 2010/11
Chief Executive	0	0	0
Corporate Services	2,974	1,730	£24,852
Community & Environment	22,430	21,843	£270,930
Economy and Development	5,127	5,943	£77,369
<b>Total</b>	<b>30,531</b>	<b>29,516</b>	<b>£373,151</b>

Whilst the overall downward trend in overtime hours worked continues (£5,400 more than 2009/10) this is beginning to plateau. The most significant reductions remain in Community and Environment as the directorate continues to implement ongoing services reviews to achieve budget savings.

### 3.9 Workforce Profile – Sickness Absence

- 3.9.1 Sickness absence remains a key issue for many organisations and of major concern for “UK plc” with costs continuing to increase to more than £16.8 billion per annum rising to nearly £30 billion when indirect costs are taken into consideration. It is accepted that most people will need to take some time off sick during their working life and that not all sickness costs relate to ill health absence and also take account of reductions in levels of performance, outputs, impact on other staff and overall workplace health.
- 3.9.2 However, the Council has made significant improvements in managing long term and short term sickness absence over the past year resulting in a positive improvement in our absence figures. The introduction of a new Absence Management Policy in July and mandatory support workshops for all managers, coupled with significant input from the HR team has achieved the required outcome. The test now is to ensure that we continue to positively monitor and manage absence to continuously improve our performance over the next year.
- 3.9.3 Absence figures for 2010/11 have fallen to 8.63 days from 10.16 days last year.
- 3.9.4 The national average figure for all local authorities is 10.1 days.
- 3.9.5 The reasons for sickness absence are varied the chart below gives a breakdown of reason for absence for 2009/10 and 2010/11.
- 3.9.6 The main reasons for absence during this period were:
- Stomach problems 14%
  - Muscular 11%
  - Viral – includes colds/flu 13%

#### Sickness reasons

	2009/10 - %	2010/11 - %
Back	9	<b>8</b>
Chest	6	<b>7</b>
E.N.T.	4	<b>7</b>
Head	5	<b>9</b>
Heart	4	<b>3</b>
Muscle	17	<b>11</b>
Pregnancy	1	<b>1</b>
Stomach	12	<b>14</b>
Stress	18	<b>6</b>
Viral	12	<b>13</b>
Other	11	<b>11</b>
Not known	3	<b>11</b>

The main reasons for absence have changed significantly from last year with stress related absence reduced by 66% which is directly related to our management of long term absences related to stress.

3.9.7 Sickness absence is broken down for monitoring and management purposes into 2 categories: long term – more than 20 consecutive days and short term – less than 20 consecutive days.

	2009/10	2010/11
<b>Long term absence</b>	55%	<b>59%</b>
<b>Short term absence</b>	46%	<b>41%</b>

### 3.10 Workforce Profile – Recruitment

#### 3.10.1 Equality in recruitment

Equality issues in recruitment are monitored by tracking the progress of applicants through the three main stages of recruitment:

- Applications received
- Shortlisted applications
- Applicants appointed

All applications are cross-monitored and compared at three stages in the main diversity strands:

- Gender and grade
- Age
- Disability
- Ethnicity

Potential areas for gender gaps in local government are reported in the more senior levels of employment. The following table describes the percentage gender difference as a total then drills down into grade profiles.

#### Gender and grade

	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
All grades						
Female	39	<b>43</b>	42	<b>50</b>	53	<b>44</b>
Male	61	<b>57</b>	58	<b>50</b>	47	<b>66</b>
<b>Grades 1 – 7</b>						
Female	38	<b>39</b>	41	<b>45</b>	52	<b>42</b>
Male	62	<b>61</b>	59	<b>55</b>	48	<b>68</b>
<b>Grades 8 – 13</b>						
Female	49	<b>51</b>	48	<b>62</b>	57	<b>61</b>
Male	51	<b>49</b>	52	<b>38</b>	43	<b>39</b>
<b>Senior Management Grades</b>						
Female	51	<b>0</b>	57	<b>0</b>	100	<b>0</b>
Male	49	<b>0</b>	43	<b>0</b>	0	<b>0</b>

- In total during the period there were 37 new appointments, a further decline in numbers which reflects the reducing overall headcount and redeployment of existing staff.
- Of the appointments made, 66% were male and 44% female which reflects the level of activity in the more traditionally male roles in cleansing etc and lower levels of activity in the more clerically based roles. Posts in the later category have been filled primarily through redeployment of existing staff.

### 3.10.2 Age in recruitment

Age Groups	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
16 – 18	<1	<1	0	<1	0	0
19 – 25	25	23	16	20	22	17
26 – 35	27	24	26	24	16	26
36 – 45	20	22	23	27	31	28
46 – 55	19	21	23	20	22	19
56 – 65	7	8	11	7	9	9
65+	<1	<1	<1	<1	0	2
Unknown	<1	<1	0	<1	0	0

The profile for 2010/11 follows the trend from last year with an increase in appointments in the 26 – 35 and 36 – 45 age bracket with reduction in the number of appointments in the under 25 group. However due to the continuing low number of appointments this again has no significant impact on the overall age profile within the Council.

### 3.10.3 Disability in recruitment

Disability	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Non disabled	59	45	79	66	75	81
Disabled	3	2	4	3	3	2
Unknown	38	52	17	32	22	18

- There remain a significant number of applicants preferring not to state whether or not they consider they have a disability.
- The number of those declaring a disability has declined significantly from last year which is probably linked to the higher number of more manual type posts going to external advertisement.
- The percentage of the workforce with a declared disability remains fairly constant at 2.66% (2.75% 2009/10).

### 3.10.4 Ethnicity in recruitment

Ethnic origin	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Black Caribbean	<1	0	0	0.26	0	1
Black African	<1	<1	<1	<1	2	0
Indian	<1	0	0	0	0	0
Bangladeshi	<1	0	0	0	0	0
Pakistani	<1	0	0	0	0	0
Chinese	<1	0	<1	<1	0	0
White UK	78	82	85	83	84	80
White - other	7	7	5	5	3	6
Black other	<1	<1	<1	<1	0	0
Other	1	1	<1	<1	0	1
Unknown	10	7	9	9	10	12

- The statistics are based on very small numbers with the highest number of applicants from a BME group being 13 declared as Black African. This compares with 1,132 as White British.

#### **4. LEARNING AND DEVELOPMENT**

- 4.1 The Council supports high levels of learning and development activities for its staff and has committed to continuing the support in the future to ensure it can attract, develop and retain high quality staff.

A full review of what and how we undertake learning and development within the Council is currently underway and this will ensure that we meet future needs and ensure we have all staff appropriately trained and qualified to deliver services in the future.

- 4.2 We have reviewed our current provision and delivery practices. The training budget is now managed corporately from within HR to provide a more targeted and fairer service to staff and achieve our target budget savings of 10%.
- 4.3 As a result of the changes which came into effect from 1 April 2011 we have been reviewing our provision and as a result made some substantial changes which will come into effect in the current financial year.
- 4.4 The Council had supported a number of staff to achieve academic qualifications (34 employees in the previous 2 years); staff will be supported to complete their current course but no further support will be given this year unless there is a requirement for the particular qualification within the role.
- 4.5 More than 100 managers have participated in the ILM (Institute of Leadership Management) courses which have run over a number of years. This is now being reviewed and a range of new provisions being considered to meet the Council's changing future needs.
- 4.6 In order to achieve greater value for money from our training budget, we are currently developing a range of e-learning courses. This type of learning will not be suitable across all subjects but it is a valuable alternative for many types of training. Already this type of learning has been used to deliver Protective Marking Courses, Health and Safety Courses and DSE (Display Screen Equipment) Training. In addition to using e-learning as stand-alone training, it is also a useful tool for refreshers courses and we are currently looking at ways to use this for equality training updates following successful completion of the Equality and Diversity Workshops last year.
- 4.7 All managers received training following the revision of the Absence Management Policy and this type of support will be further developed over the next year as policies and procedures are revised. This, coupled with the successful "90 minute power training sessions", enables our managers to be kept up to date with key developments and initiatives.
- 4.8 We have successfully achieved Member Development Charter status and the Councillor Development Steering Group continues to meet on a regular basis. Support and development for members continues to offer a variety of opportunities for experienced and new members throughout the year covering a full range of strategic and topical issues.
- 4.9 We are now pursuing the possibility of more joint working with other organisations in order to improve and develop our training support over the next year.



## **5. SUMMARY**

- 5.1 The economic climate and the impact of budgetary pressures on the Council over the past year have had an impact on the workforce profile for the Council.
- 5.2 Re-organisations and the consequent reduction in workforce numbers will continue into the next financial year as we continue to balance budgets and provide services with a leaner and more flexible workforce. The forthcoming review of the senior management structure is likely to have a considerable impact on the whole structure and workforce of the Council.
- 5.3 Recruitment levels have continued to reduce which has resulted in the fairly static overall workforce profile with regard to age, gender, ethnicity etc. although the figures indicate that the changes have been achieved fairly within the equality framework. This is unlikely to change over the coming year.
- 5.4 Sickness absence levels have reduced substantially over the past year. The revised policy and procedure has been very successful in raising awareness of both staff and managers of the significant adverse impact of high levels of sickness and the continued work to address absence issues has reaped the reward. However, this is still a high profile issue and work will continue on monitoring and managing sickness absence. The reduction in absence related to stress is also encouraging but again requires close monitoring to ensure it does not rise significantly in the future.
- 5.5 The Council's ability to manage budgetary pressures through year on year reductions in overtime continues although it would seem that this may have reached a plateau. Strict management of overtime will however continue as this will support not only budget management but also in the health and welfare of staff by not putting pressure on them to work unduly longer hours.
- 5.6 In order to ensure we retain a highly motivated workforce we must continue to develop our learning and development programmes to retain a workforce with the appropriate skills and knowledge levels to take us forward and ensure we are a capable organisation in the future. A full review of our provisions and activity is now underway and a new Learning and Development Strategy will be produced to support the future needs of the Council.
- 5.7 The Council will need to ensure it develops its profile as an employer of choice through enhancing its profile as a key employer in the area, offering development opportunities and a flexible working environment across a diverse skills base.

## **6. RECOMMENDATION**

- 6.1 That the Scrutiny Committee - Resources note the contents of this report which will also be shared with the Employee Liaison Form (ELF) and support the proposed actions outlined.

HEAD OF HUMAN RESOURCES

CORPORATE SERVICES DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)**  
**Background papers used in compiling this report:**

HR Benchmarker DLA Piper 2010  
ONS Labour Market Statistics  
HSE Employment Data