

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 17 JUNE 2009

WORKFORCE PROFILE REPORT 2008 - 2009

1. PURPOSE OF REPORT

- 1.1 To provide the Committee with a comprehensive workforce profile for the Council between April 2008 and March 2009.
- 1.2 To provide benchmarking and statistical data from a local, regional, national or industry basis as appropriate
- 1.3 To highlight any developing trends, areas for concern or interventions where evident.

2. BACKGROUND

- 2.1 The Council recognises that its workforce is its most valuable resource.
- 2.2 To continue delivering a high performance culture, with the right people with the right skills in the right jobs we need to have an understanding of our current workforce as a basic requirement of effective workforce planning.
- 2.3 The impact of the recession is affecting local government. A survey of 129 Council Leaders by the LGA (Local Government Association) earlier this year found that half had already cut jobs with 7 in 10 anticipating future redundancies. It also showed that income was likely to fall by £2.5bn over the next year, while at the same time demand for services was on the rise.
- 2.4 The latest Office for National Statistics labour market figures show there were 299,000 redundancies in the first quarter of 2009, and that the total number of people out of work is now 2.22 million. With 1 in 6 18-24 year-olds already jobless, the figures are particularly bad news for young people entering the labour market.
- 2.5 The population estimates for Exeter and the Heart of Devon's sub-region (EHOD) stands at around 457,400 and has increased by nearly 7% since 2001. Within this period, Exeter (+10.1%) has seen the highest rise of all districts, at more than twice the regional and national averages (+4.7% and +3.3% respectively).
- 2.6 There are around 18,300 people aged below 16 in Exeter, with around 82,900 people of working age and 21,200 people of retirement age.
- 2.7 The proportion of those aged below 16 in Exeter (15.0%) and the proportion of those of retirement age (17.3%) are lower than the local, regional and national average. Whereas the proportion of working age people (67.7%) is some way above the local, regional and national averages.
- 2.8 The main strands of the workforce profile in this report is concentrated on:
 - Baseline Workforce Data
 - Turnover
 - Sickness Absence
 - Overtime

- Equality

3. WORKFORCE PROFILE

3.1 The workforce challenges within local government continues to show a trend with:

- An ageing workforce
- Lower levels of women in senior posts
- Lower levels of younger people being recruited
- A competitive labour market in many professional fields
- A diverse workforce in terms of skills, hours worked, locations and working practices

3.2 Between 1995 and 2004 Council's occupational skills shortages increased year on year. The most widespread current occupational shortages include: social work; environmental health; planning; building control; trading standards and teaching (LGE - Local Government Analysis and Research April 2007).

The Council's Workforce Profile by Grade

3.3 The total numbers of employees as at 1st April 2008 was 960 these were distributed in the pay and grading structure as follows:

Grade	Percentage of Employees % (2007/08)	
1	5.53	(5)
2	8.94	(8.5)
3	8.51	(11.5)
4	14.89	(12.5)
5	18.94	(19)
6	13.19	(13)
7	8.51	(7.8)
8	6.81	(7)
9	6.06	(5.8)
10	3.19	(3.2)
11	1.17	(1)
12	1.70	(1.5)
13	1.39	(1.4)
14	1.17	(0.8)
Other	0	(2)

- The pay distributions generally remain constant with some movement evenly spaced across all grades. This reflects the reasonably stable organisational structure over the last 12 months.
- A large proportion, 47.02% of the total workforce, is employed on grades 4 – 6 giving a median salary of £18,438.
- The average median full time salary for a work base in Exeter is £22,900. The workplace average is higher than the residential average which is £21,300 which suggests that the highest earners with a workplace in Exeter, commute in from outside the City. (ONS Annual Survey of Hours and Earnings 2008).

Workforce by Age

Age Group	Female %	Male %	Total % (2007/08)	
16 – 25	2.09	2.19	4.28	(5.19)
26-35	11.48	10.13	21.61	(21.08)
36-44	10.44	12.53	22.96	(24.10)
45-54	11.06	17.22	28.29	(28.04)
55-60	5.22	9.39	14.61	(15.26)
61+	1.98	6.26	8.25	(6.33)

- The age profile of the Council has shown small movements upwards in age brackets and generally reflects the national trend in local government.
- Nearly half (46.4%) of the workforce in the “District Only” benchmarking local authority group is aged over 45 (HR Benchmarker 2008 DLA Piper report).
- Employees over the age of 36 account for 74.11% of the total workforce of the Council, which compares to 73.6% in the “District Only” benchmarker and 76.4% of “All Authorities” average.

Workforce by Ethnicity

Ethnic Status	Percentage % (2007/08)	
White	98.60	(98.62)
Mixed	0.47	(0.45)
Asian	0.58	(0.23)
Black	0.12	(0.11)
Chinese	0.23	(0.11)
Other	0	(0.48)
Total BME	1.40	(1.38)

- The BME breakdown of the Council differs little from the previous year and reflects generally a small percentage of diversity outside white ethnic status.
- The accuracy of this information is collected from data checking exercises, which are undertaken across the Council periodically from self-disclosure, it is therefore reliant on accurate recording and those disclosures received.
- The number of residents of Exeter from non-white ethnic group is 2.4% (2001 Census), which is higher than the representative employment of 1.4%. However this does include dated census information and does not reflect ‘in the employment market’ population or travel to work areas.
- Ethnicity profiling amongst the benchmark district councils shows BME “District Only” employment averages of 2.4% (HR Benchmarker 2008 DLA Piper report) and in local government generally the total workforce is representative of 8.3% BME employees (ONS Labour Force Survey 2007).
- Where small numbers of employees are reported it is important to note that a single reduction in numbers can make what appears to be a significant adjustment to percentages.

Workforce Turnover data

- Some levels of turnover in an organisation is to be expected and can enhance the general health and growth of the workforce introducing new and innovative ideas and ways of working. However high levels can be disruptive and costly.

Turnover is calculated using the standard 'crude wastage' method

Number of leavers

Average number of employees X 100

- Turnover in the Council was 11.08% in 2008/09 (11.04% 2007/08). The breakdown of directorate figures are highlighted below (these include all employees whether on permanent or fixed term contracts).

Directorate	Average no: of employees	Leavers	Turnover Percentage (2008)	
Chief Executive's	25.5	5	19.61	(12)
Community and Environment	529	63	11.91	(11.6)
Corporate Services	210.5	13	6.18	(8.17)
Economy and Development	192	25	13.02	(12.36)

- The CIPD (Chartered Institute for Personnel and Development) (Human Capital Checklist Survey 2008) reveals the highest levels of turnover (20.4%) are found in the private sector, primarily retailing, hotels/catering, leisure, and generally amongst the lower paid private sector groups. The public sector has an average turnover rate of 11.3% (HR "District Only" Benchmarking 2008 DLA Piper report).
- Turnover in the Council reflects a very slight increase from the previous year however this is in line with local government and 'district' norms.
- A number of service reviews and savings targets contributed to keeping the level of turnover static, without these there would have been a small decrease in natural turnover figures.

Overtime Profile

- Overtime is continually monitored to review costs and trends.
- The use of overtime is often an essential business strategy to ensure effective delivery of services and can replace the alternative of engaging agency or temporary staff that may not always be the most effective solution.
- All overtime is managed within defined salary budgets and is accounted for through financial management processes.
- Hours worked are detailed below:

Directorate	2008/09	2007/08
Chief Executive's	0	(74)
Corporate Services	2,862	(3,058)
Community and Environment	24,453	(26,305)
Economy and Development	7,224	(7,201)
Totals	34,540	(36,640)

- The total hours overtime worked shows a significant decrease of 2,099 hours. The decreases were experienced primarily in the Community and Environment Directorate and are reflective of the effective service reviews and budget savings achieved during the period reported.

Sickness Absence Profile

- Sickness absence costs 'UK plc' over £12 billion each year (Heath and Safety Executive). Most people in the workplace take some days' absence. Sickness absence is not however just about ill health, it often includes personal and work related factors.
- When absence figures are calculated at the end of the year against the numbers of employees as at 31.3.09 the figures show an increase in the average number of days sickness per full time equivalent employee.

Statistic	2008/09	2007/08
Average number of days sickness per fte	9.78	(9.14)

- Sickness absence has decreased year on year since the average 11.23 days per employee was reported in 2003/04, however 2008/09 has shown an increase of 0.64 days per FTE.
- Sickness absence is broken down for monitoring and management purposes into two categories short term (less than 20 consecutive days) and long term (more than 20 consecutive days).

Long and short term sickness	2008/09	2007/08
Long term sickness	56%	(49%)
Short term sickness	44%	(51%)
Total no of days long term absence	4661	(3867)
Total no of days short term absence	3662	(4025)

- The reasons for sickness absence are varied and typically the main four reasons for absence are muscular-skeletal/back; viral infections/colds/flu; stress anxiety/depression and stomach/internal organs. These reasons vary slightly year on year but remains the main reasons for absence.
- Average working days lost in district authorities is 8.9 days (HR "District Only" Benchmark 2008 DLA Piper report).
- Average public sector days lost per year is 9.3 days (HR "All Authorities" Benchmark 2008 DLA Piper report).

Equality in Employment Profile

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

- Applications received
- Shortlisted applications
- Appointed applications

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 and then drills down into grade profiles.

Gender and Grade

All Grades 2008/09	% Applicants (2007/8)		% Applicants Shortlisted (2007/8)		% Applicants Appointed (2007/8)	
Female	43	(47)	51	(54)	56	(58)
Male	57	(53)	49	(46)	44	(42)
Grades 1 – 7						
Female	41	(48)	49	(57)	53	(60)
Male	59	(52)	51	(43)	47	(40)
Grades 8 –13						
Female	44	(36.5)	69	(34)	75	(50)
Male	56	(63.5)	31	(66)	25	(50)
Senior Management Posts						
Female	0	(0)	0	(0)	0	(0)
Male	0	(0)	0	(0)	0	(0)

- In total during the period monitored 102 new appointments were made. Of these 57 (55.88%) were female and 45 (44.12%) were male.
- Whilst there are some differences in the statistics the numbers in the sample are low and difficult to determine any firm trends. Although there has been an increase in the percentage of women being recruited in grades 8-13 from 2007/08.
- The Council employs 16.98% of women in the top 5% of earners compared to 46.6% across all local authorities average (HR Benchmarker 2008 DLA Piper report).

Age

Age Groups	% Applicants (2007/08)		% Shortlisted (2007/08)		% Appointed (2007/08)	
16 – 18 years	1.00	(1.07)	0.21	(0.39)	0	(0)
19 – 25 years	23.59	(23.77)	18.39	(19.08)	9.61	(20.91)
26 – 35 years	26.68	(26.90)	29.75	(32.18)	36.27	(37.27)
36 – 45 years	21.80	(21.01)	23.35	(22.35)	17.65	(20.00)
46 – 55 years	18.07	(18.48)	19.42	(17.73)	20.59	(13.64)
56 – 65 years	7.76	(6.79)	8.68	(7.13)	5.88	(6.36)
65 +	0.15	(0.23)	0.21	(0)	0	(0)
Unknown	0.94	(1.75)	0	(1.14)	0	(1.82)

- From a total of 3298 applications 33 were received from aged 16 – 18, none of these applicants were successfully appointed, this reflects no appointments in 2007/08.
- Statistically the most successful age group recruited were aged between 26-35. Of a total 828 applications received 41 were appointed. This was the highest appointed age bracket.
- This breakdown supports the overall workforce profile statistics, which demonstrates that overall, employees aged between 16-25 have decreased from 5.19% to 4.28% which is an ongoing decline.

Disability

Disability	% Applicants (2007/08)		% Shortlisted (2007/08)		% Appointed (2007/08)	
Non Disabled	83.29	(83.21)	90.08	(91.33)	91.18	(95.45)
Disabled	4.08	(5.41)	5.99	(5.01)	3.92	(1.82)
Unknown	12.63	(11.38)	3.93	(3.66)	4.90	(2.73)

- The figures represent that from the total applications received 133 declared a disability a further 412 did not disclose whether they 'did' or 'did not' have a disability.
- The average district percentage of total workforce with a disability is 4.6% (HR Benchmarker 2008 DLA Piper report).
- The Council has an overall percentage of 1.89 total workforce with a declared disability.

Ethnicity

Ethnic Origin	% Applicants (2007/08)		% Shortlisted (2007/08)		% Appointed (2007/08)	
Black Caribbean	0.03	(0.16)	0	(0.19)	0	(0)
Black African	0.49	(0.56)	0.21	(0.58)	0	(0)
Indian	0.55	(0.62)	0.41	(1.35)	0	(1.82)
Bangladeshi	0.06	(0.10)	0	(0)	0	(0)
Pakistani	0.25	(0.07)	0	(0)	0	(0)
Chinese	0.46	(0.16)	0.41	(0.39)	0.98	(0)

White UK	87.92	(86.04)	90.29	(88.65)	89.22	(92.72)
White – other	6.13	(4.70)	4.34	(2.5)	2.94	(0.91)
Black – other	0.06	(0.20)	0	(0.19)	0	(0)
Other	1.44	(1.51)	1.45	(0.76)	1.96	(0.91)
Unknown	2.61	(5.88)	2.89	(5.39)	4.90	(3.64)

- The statistics when fully broken down into BME categories do involve very small numbers of the total applications received. A total of 2865 applicants declared as white-British against for example the highest individual BME group where 18 applicants declared as Indian.
- Total non-white British applications received from BME groups (excluding ‘not known’) was 309, a percentage of 10.08 of all applications received.
- The total appointments made from BME applicants (excluding ‘not known’) were 6, a percentage of 1.94 of all applications received.

4. HIGHLIGHTS FROM THE WORKFORCE DATA

- 4.1 The organisational structure and workforce profile has remained relatively static over the last 12 months.
- 4.2 This level of stability has also been evident through average turnover levels which in turn will have limited the levels of recruitment in the Council.
- 4.3 Lower levels of turnover are healthy for the organisation as there is reduced disruption, continued employment of skilled employees and reduced costs associated with replacement of staffing.
- 4.4 This does however also place limits on the ability of the Council to alter its profile with regards to age, gender, disability and ethnicity.
- 4.5 Sickness absence has shown the first increase since 2003 which is a concern.
- 4.6 Overtime has decreased significantly. The use of overtime whilst requiring monitoring and management can be the most efficient and timely route for achieving outcomes. Effective service reviews and budget reviews has impacted on this reduction.

5. THE CURRENT CHALLENGES

- 5.1 The recent economic downturn has seen a fall in house prices, a collapse in the area of finance and banking and job losses across all sectors.
- 5.2 The predictions are likely to result in higher redundancies and less recruitment, particularly in the public sector.
- 5.3 The predicted jobs slowdown will particularly affect younger workers and graduates, who stand to suffer most from any recruitment freezes.
- 5.4 The investment in adult skills is appropriate and timely and the work the Council has done to improve the literacy and numeracy of lower skilled employees through the Government’s Training initiative “Train to Gain” is a significant achievement.
- 5.5 The Government predicted investment of around £1 billion to support the creation of jobs for long-term unemployed, young people and others who face significant disadvantage may assist in developing bids for apprenticeship placements and new jobs.

5.6 With ongoing budget pressures and uncertainty around the future of local government structure in Devon it is an increasing challenge for the Council to achieve workforce development in particular areas such as younger people, BME groups and disability.

6. CHALLENGES AHEAD

6.1 The Council will need to continue to promote its unique employment opportunities to ensure that it remains strong in the employment market. Senior and professional job profiles in some areas remain very competitive and these challenges continue for local authorities nationally.

6.2 Encouraging a younger workforce is necessary whilst remaining compliant and considerate of age legislation across the full range of potential applicants. Emphasis on training opportunities and modern apprenticeships will continue to ensure the skills for the future are in place.

6.3 Sickness absence levels continues to be a challenge and becomes a priority as the figures have increased. Continued resource will be put into appropriate interventions to case manage and drive sickness absence levels down to create a healthier more productive workforce.

6.4 The outcome of the Boundary Committee review and the decision on the future of Devon will further enhance the workforce challenges with a need for strong clear leadership to motivate, retain and maintain a highly performing skilled workforce to continue to deliver key local government services for the future.

7. RECOMMENDATIONS

7.1 That the Scrutiny Committee note the contents of this report and agree the proposed actions outlined.

HEAD OF HUMAN RESOURCES

CORPORATE SERVICES DIRECTORATE

Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

1. HR Benchmarked DLA Piper 2008