
**Manchester City Council
Report for Information**

Report to: Overview and Scrutiny Human Resources Subgroup - 6 July 2010

Report of: Assistant Chief Executive People

Subject: Workforce Analysis and Intelligence

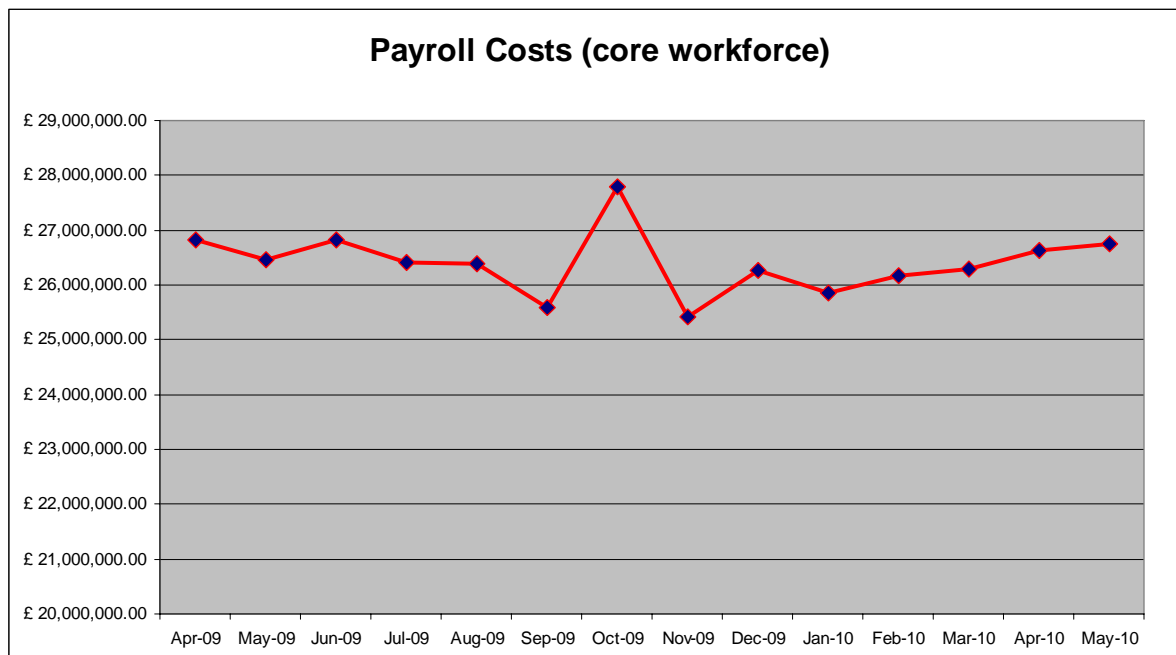
Purpose of Report

1. To provide information on the size and demography of the workforce (excluding Schools) over the period April 2009 to May 2010.
2. To update the Group on key initiatives which have been put in place to utilise and improve upon workforce intelligence to better forecast future resource and skill requirements across the Council.

1.0 Introduction

- 1.1 Despite the current economic climate the Council is committed to achieving its vision for Manchester – namely, creating a city where people choose to live, and where they live healthier, longer, wealthier and happier lives.
- 1.2 The Council, along with its public sector partners, faces significant budgetary challenges over the next few years and in order to achieve this vision, we need to make more impact with less resource.
- 1.3 We intend to do this by transforming services in line with the transformation programme already in train and which has required a totally new approach to people management, one element of which is the way in which we utilise and develop workforce intelligence to identify and resolve current and future jobs and skills gaps, and subsequently develop and deploy our staff more flexibly to appropriate roles that meet both organisational and individual needs.
- 1.4 The Council in recognising the value of its workforce has pledged to aim for no compulsory redundancies. To achieve this aim, we will be investing in developing the skills of the current workforce to enable movement across the Council and deployment of staff to services where there is the greatest requirement for skills. M people will be the way in which we do this.

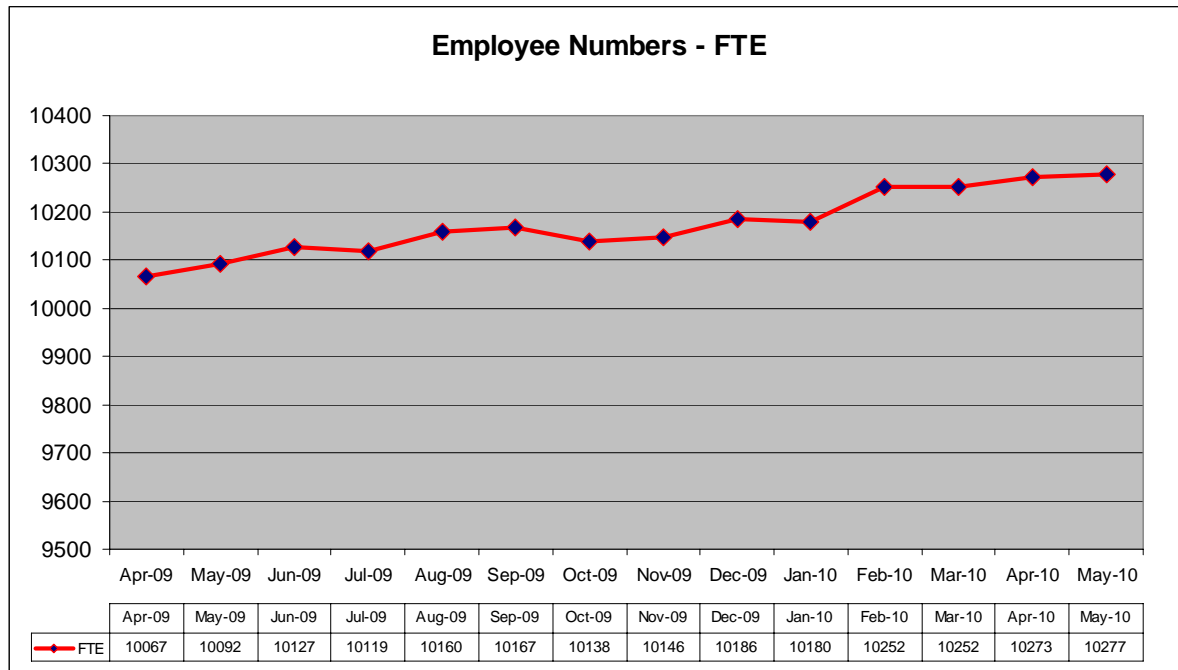
2.0 Workforce Analysis April 2009 – May 2010



2.1 Payroll Costs

- 2.1.1 This analysis is based on costs that include Employers national insurance and pension on-costs and all payments paid through payroll to core workers i.e. those with employment contracts directly with the Council (including fixed term).
- 2.1.2 These costs exclude all School's employees (i.e. individuals directly employed by schools) and casual workers, Manchester Temps, Agency Workers, Contractors and Consultants.
- 2.1.3 In May 2010, the monthly cost of the core workforce is £26.758m.
- 2.1.4 A Workforce Performance Board has recently been set up which will consider People expenditure as a whole on a monthly basis in line with the principles for the development of People Management framework. Analysis has been undertaken of the most current skills prioritised for agency/temporary placements and the use of consultants to inform skills transfer so that we can reduce reliance on external resources and offer these roles as internal placements. This will help to create the internal movement the Council needs to deliver on the commitment to deliver real development opportunities for existing staff. Through this continued focus on supporting and developing the existing workforce, flexibility and movement is in evidence with 14 staff being deployed internally into permanent posts over the last few weeks with a cost saving of £250k to the organisation.
- 2.1.5 Within this historical data, there are a number of one off payments and impacts that can be clearly seen in the graph i.e. Pay Award arrears in April 2009 for the period April 08 – March 09, (Arbitration awards of 0.3%) and the peak in October 09 is the payment of arrears for the April 2009 National Pay Award of 1% from April 09.

2.1.6 The implementation of flexibility arrangements in April 09 and grade changes through the transfer to the new pay structure following job evaluation will also have an impact on the pattern of payroll spend over this period.



2.2 Employee numbers

2.2.1 This analysis is based on full time equivalent status (FTE) which allows full time and part time employees to be compared on the same basis.

2.2.2 The FTE has increased over the period April 09 – May 2010 and this is due to a variety of reasons including contractual changes – changes to hours, starters and leavers and in some cases the movement of temporary to permanent status for example a recent strategy to reduce reliance on external provision for Social Workers resulted in a number of (40) permanent appointments in March 2010.

2.2.3 A strategy has been developed in year with Service Heads who are working with Directorate Personnel Managers to consider alternative approaches to filling vacancies. All changes are subject to a business case monitored and agreed by the Directorate Personnel Managers following discussions with Services Heads will assist in developing improved workforce intelligence to inform resource needs and ensure that there are no undue delays to resourcing vacancies especially in front line services.

2.2.4 Vacancies are subject to consideration and authorisation by the corporate vacancy clearance panel, which has been strengthened to include the Deputy Chief Executive (Performance) and the Assistant Chief Executive (People) and a sign off procedure with the Executive Member. This process is producing internal demand and movement with an external advert analysis

demonstrating that from January 2010 to May 2010 external adverts have reduced from 35 to 7.

3.0 Workforce Intelligence

- 3.1 Further work is currently ongoing on the breakdown of payroll and employee numbers within Directorates. Improving the availability and analysis of workforce intelligence is critical in enabling the Council to predict the type and volume of jobs and skills that will be required in the future. The measures currently being put in place by the creation of a Workforce Performance Board will ensure that robust controls will closely monitor the workforce in global terms and provide a platform for ensuring that we make best use of our intelligence to forecast and anticipate resource requirements going forward.
- 3.2 The future organisation will be a very different place to that currently experienced, redeployment will not be part of the dialogue as more people are deployed positively and proactively.
- 3.3 Creating this flexible organisation will require a completely new mind set and new way of deployment. We are aiming to develop a new internal market created by internal recruitment to vacancies and significantly reducing external resources (agency/temps/consultants).
- 3.4 This approach is contingent on having excellent workforce intelligence on which to track and monitor resource requirements and service needs cognisant of the overall organisational direction through service redesign and transformation.
- 3.5 Going forward there will be no automatic assumption a vacancy will be directly replaced and new starters will be strictly monitored by the Performance Board and monitored against the vacancy clearance panel.
- 3.6 Additionally, Target Operating Models for each Directorate have been produced that provide a high level view of how services are intending to redesign to become more efficient in line with the council's organisational design principles to meet the financial pressures currently being faced. Work is underway to translate these into detailed organisational designs and as the detail emerges, skill investment plans will be developed by December 2010 and incorporated within revised and revamped Workforce Development plans (as part of the Business Planning process).
- 3.7 In return for the commitment to invest in the skills of the workforce, staff will need to become more flexible. This means staff need to be prepared to learn new skills and be deployed where the Council can best utilise those skills. The Skills Pledge is being utilised to lever in additional funding in the to provide training for qualifications and skill development. .

4.0 Summary

- 4.1 Workforce numbers have increased over the period April 09 to May 2010 however this reflects contractual changes and specific initiatives such as that detailed for permanent social workers. Arrangements are in place to control and monitor supply and demand for resources through a new Workforce Planning approach and the development of M people.
- 4.2 As we transform services and create flatter and integrated structures, a require a smaller and skilled workforce will be required with more generic roles to enable flexibility and movement.
- 4.3 Through the increased focus on workforce intelligence and collaborative working across services, support will be provided to up skill staff to participate effectively in transformational change and create the workforce of the future.