

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee: Human Resources Sub Group – 28 November 2017

Subject: Review of HR Metrics - Workforce Intelligence Update

Report of: Director of HR and OD

Summary:

This report outlines the current highlights from the quarter 2 Workforce Assurance dashboards for the group's information.

Recommendations

The Sub-Group is asked to note the report and identify any areas which it may wish to further explore at future meetings.

Wards Affected: All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Report 2 - Resources & Governance Scrutiny Committee: HR Sub Group; *Workforce Intelligence Update - 5 October 2017*

1.0 Introduction

- 1.1 Effective intelligence is an essential tool to drive proactive workforce management both corporately and at a local level. A comprehensive dashboard of key workforce metrics is provided quarterly at a Corporate and Directorate level. The Dashboard is intended to ensure trends are identified and risks and issues addressed, as well as to highlight positive patterns and the impact of mitigating actions on those areas identified for action previously. The dashboard is reviewed by the HROD Management Team as well as Directorate Management Teams across the organisation and actions agreed in the context of broader financial and performance metrics.
- 1.2 Appendix 1 provides details of the measures included within the quarterly dashboard which will be presented to Members at the Sub-Group's meeting.

2.0 An Overview of Key Metrics

- 2.1 Whilst the dashboard is produced quarterly, more regular (monthly) analysis is provided across the most high profile metrics and included within an integrated assurance report provided to the Strategic Management Team together with information on performance, finance and risk. The latest position across these key measures is detailed below for information.

2.2 Sickness Absence

- 2.2.1 Whilst absence levels across the organisation continue to fall, they remain amongst the highest in Greater Manchester, and significantly greater than public sector comparators.
- 2.2.2 5,503 working days were lost due to sickness absence in September 17, an average of 0.88 days per FTE This is an improvement on September 16 (0.97), September 15 (1.08) and August 17 (0.91)
- 2.2.3 The average number of days lost per FTE over the past rolling 12 months is 11.75

Directorate	Average days lost per FTE in the month		Average days lost per FTE over the past 12 months	
	Sep 17	Aug 17	Sept 16 - Aug 17	Sep 15 - Aug 16
Corporate Core	0.87	0.89	10.16	11.94
Children's Services (incl. E&S)	0.82	0.98	12.13	12.84
Adults' Services	1.21	1.05	15.72	16.64
Growth & Neighbourhoods	0.89	0.69	9.81	9.46
Strategic Development	0.29	0.45	8.10	-
Council Wide	0.88	0.91	11.75	12.38

2.2.4 There was a reduction in days lost in Growth and Neighbourhoods in August due to the proportion of staff that work term time only contracts within this directorate.

2.2.5 Over quarter 2 there have been over 17,000 FTE days lost due to sickness absence.

2.2.6 A number of initiatives have progressed in recent months to promote wellbeing and support managers to more effectively manage absence. This continuation of the EAP (Employee Assistance Programme (EAP) providing comprehensive and confidential telephone and online support to all staff across a range of areas such as mental health, dept advice, substance abuse and relationship issues. The EAP received 325 phone calls and 1,760 online hits during its first quarter of operation and has been positively received by staff. A more user friendly process for recording sickness absence on SAP also went live on the 11th September in direct response to manager feedback. This new functionality also enables the management of the full end-to-end management of attendance process in one place, including the recording of Attendance Monitoring Reviews and Attendance Management Hearings. The amended dashboard reflects the first two weeks of operation of this new system. A full analysis of its effectiveness will be included within the Quarter 3 dashboard.

2.2.7 A substantive report on managing attendance will be submitted to the group at its February/March meeting.

2.3 Agency Spend

2.3.1 Agency resources represent a significant part of the Council's overall workforce spend with circa. 8.0% of workforce budgets spent on agency staff in 2016/17. Agency costs are met from within the organisation's overall workforce budget. Broadly speaking agency resourcing is used for one of three reasons:

1. To provide cover for key critical posts which are vacant or where the post holder is absent, due to sickness, maternity leave or suspension for example.
2. To provide technical or specialist resources for time limited projects where it makes sense to engage support through this route as opposed to formal employment due to, for example, the cost or time requirement
3. To provide additional resources for income generating or project work.

2.3.2 It is important that the difference between these categories is highlighted and understood. The second and third categories above are, in broad terms, part of agreed resourcing strategies and support the reform services to reduce spend (or increase income) or deliver specific projects. However, the vast majority of agency usage is related to the first category (circa 67% in 2016/17) and focused work to drive reductions in this area is progressing with plans in place to end 82 placements (6%) by December. Using average costs the financial impact of this will be around £134k a month.

2.3.3 Comparative agency spend (16/17 V 17/18) after Q2 is showing an 18% reduction. If this continues full year spend would be £15.1M, a £3.8M reduction on 16/17 spend (£18.9M).

2.3.4 Reduction in in the Core (43%), Growth & Neighbourhoods (37%) and Children's Services (14%) mask an increase in Adults Services of 12%. Agency spend in Adults Services to-date accounted for circa. 40% of total Council spend. The cumulative spend within Adults Service at period 6 is approximately £3.05M compared to £2.73M for the same period in 2016/17, a 12% increase. The current focus continues to be on driving reductions in Adults Business Delivery which is the biggest area of spend.

2.3.5 It should also be noted that the reporting system of the invoices has a time lag and therefore can impact on additional costs being reported retrospectively. From Q3 the agency data will come direct from the Reed system and should provide more up to date figures than have been available previously.

2.4 Apprentices

2.4.1 The introduction of the apprentice levy from April 2017 has seen the Council required to contribute circa. £1.5M per annum (including schools) to a government account which can be drawn down to cover the training costs of apprentices.

2.4.2 The introduction of the levy coincides with a shift in the scale and scope of apprenticeships which now cover the full spectrum of qualification levels from entry level (Level 2) to postgraduate (Level 7).

2.4.3 The Council has plans in place for 169 apprentice starts in-year including 111 existing staff and 58 new recruits with the first tranche of external appointments now made. 38 external appointments have now been made and 18 existing staff have commenced an apprenticeship.

2.4.4 The Levy and shift in approach here will have a fundamental impact on the organisation's learning and development strategy if we are to maximise the potential benefits. This will require significant input, not only from HROD but from managers across the Council to support development.

2.5 Staff outside of the Funded Structure

2.5.1 Currently 22 employees are in positions outside of the funded structure with an annual cost of circa. £680K (a reduction from 28 at the end of quarter 1). Proactive work takes place to support timely moves to suitable funded roles. However, whilst the individuals concerned will shift, there generally remains a pressure here. Within Children's Services 13 employees who have been out of funded positions for over 12 months and work to identify funded roles for these staff is a current priority. Costs related to these staff are covered by the organisation's overall workforce budget which is currently projecting an underspend.

3.0 Conclusion

3.1 The information above and within the Dashboard is provided to give the Sub-Group an overview across the full spectrum of workforce metrics and provide assurance that a comprehensive approach to workforce intelligence is in place to support SMT and Directorate Management Teams. A number of areas are the subject of more substantive reports within the sub-group work plan including managing attendance and workforce equality.

3.2 Questions and comments from the sub-group are welcomed.

Appendix: Dashboard definitions

No	Measure	Definition
1	FTE staff numbers and headcount at period end	This is the figure for full time equivalent employees at the end of the quarter alongside the headcount.
2	Net Change in staff (Headcount)	This is the number of external starters and people leaving the Council and the overall net change in the month. It is reported at a Headcount level rather than FTE.
3	Employees not in funded positions	This is the number of employees who are not in funded positions and the annualised projected cost of the employees.
4	Workforce Budgets: Forecast variance from budget	The projected year-end variance against workforce budgets
5	Workforce Development budget	This tracks the percentage of the workforce development budget spent, the percentage committed and the percentage not yet committed.
6	Equality make-up of the workforce	These report the following characteristics for the whole organisation separating out those grade 10 and above. The percentage is calculated for those employees we hold the information for rather than for the whole Council: Age, BME, Gender, Disability, Sexual Orientation
7	Average days lost per FTE in a working month	Average days lost due to sickness per employee in a month - The total value of all the fTE days lost due to sickness in a month divided by the average total 'Full Time Equivalent' value of the workforce over the year. The days lost value is standardised to take account of the employee's working pattern (only scheduled working days are counted as absence days).
8	Days lost through absence in the quarter	The total full-time-equivalent days lost through sickness absence in the quarter for each service
9	Percentage breakdown of recorded absence by term	The percentage of absence that is long term (20 days+), medium term (5-20 days) and short term (1-5 days)
10	Cases currently with HROD	Number of cases with HR by type and RAG rating

11	Percentage of concluded absences where Return to Work (RTW) interview has been logged on SAP	The percentage of absence incidences recorded on SAP that have ended in the six months prior where the RTW field has been completed
12	Top three absence reasons by directorate	The top three reasons for absence in the latest quarter
13	Monthly spend on Agency	Monthly spend on agency resources by directorate compared to the same period in the previous year - there is a two month data lag for this measure
14	Quarterly spend on overtime	Quarterly spend on overtime by service compared to the same period in the previous year
15	Apprenticeship commitments for the year	Numbers of employees registered as an apprentice on the Council's Digital Apprenticeship Account against the commitment
1	Number of employees requiring DBS renewal in the next three months	The number of requests that are requiring renewal in the next three months.
17	Number of resource requests approved during the quarter	Combined total of requests for permanent roles and time limited roles approved on the ATS system in the quarter
18	Time-frame of requests completed in the quarter	The number of days taken from the request being submitted to a conditional offer being made