

CHERWELL DISTRICT COUNCIL

PERSONNEL COMMITTEE

3 SEPTEMBER 2009

JOINT REPORT OF THE CHIEF EXECUTIVE AND THE HEAD OF HUMAN RESOURCES

WORKFORCE PLANNING

1 Introduction and Purpose of Report

- 1.1 This report updates Members on the progress around workforce planning which aims to ensure the Council has sufficient skills and capacity for future needs.

2 Wards Affected

- 2.1 None.

3 Effect on Policy

- 3.1 None.

4 Contact Officers

- 4.1 Anne-Marie Scott, Head of Human Resources, extn 1731, annemarie.scott@cherwell-dc.gov.uk

5 Background

- 5.1 25% of the Council's budget is spent on paying staff. Effective planning, management and control of the staffing establishment are crucial in ensuring the Council achieves value for money as well as acts as a good employer.

- 5.2 During the last 3 years the Council has made significant changes to the staffing structure of the organisation with the primary aim of ensuring the right mix of skills and capacity were available to deliver the Council's objectives. During this time we have also undertaken the most significant change to the overall size of the organisation with the outsourcing of the sports centres which will soon be followed with the outsourcing of a further 45 posts associated with Revenues and Benefits processing.

- 5.3 To ensure that capacity is adjusted to reflect these changes and to plan for future key skills (particularly in shortage areas), against what we know will be a financial climate of reducing resources, the Council must plan for a future when it will have to reduce its wage bill. Workforce planning, in conjunction with long-term budget planning, is a sound practice. This will enable us to build on our work over the last three years, ensuring that we offer the best possible value for money to our residents and businesses. At the same time we value our staff and want to deal with them in the most open way possible.

- 5.4 As the first step in this process, a letter has been sent to all staff asking them to express an interest in making changes to their working practices and/or contract with the Council. This ranges from voluntary redundancy/retirement through to sabbaticals and part-time working. In the first instance we are simply asking people to share any plans or aspirations they have in order that we can plan, wherever possible, to marry organisational objectives with personal preferences. Staff have been asked to submit information, on a standard form. Both the form and the letter are attached for further information. The form will be released after this meeting and the deadline for submission is 25th September.

- 5.5 Once all submissions are received we will gather necessary information on costs and then talk in more detail as a corporate management team about which of the requests there may be an opportunity to agree.
- 5.6 At the appropriate time we will engage Service Heads in the process of reviewing requests from within their teams but we are also mindful that some requests may come from Service Heads themselves and therefore some phasing in the process will be necessary.
- 5.7 When we have enough information about the financial impact, the impact on the team and organisation and have been able to look across the organisation to see how changes may fit the corporate agenda, we will be in a position to make formal offers of changes to the individuals concerned. Only at this stage will any decision become binding on either side. We envisage being able to make these offers over a number of years to allow for future planning, training and succession to be put in place to ensure the Council does not lose key skills and experience.
- 5.8 The Chief Executive is also taking an early opportunity to make savings in the senior management team following the resignation of Julie Evans. The role of Strategic Director, Customer Service and Resources will not be replaced, thus reducing the size of the permanent Corporate Management Team to three from October. There will in fact be a CMT of four until March when Mike Carroll leaves as planned at the end of his three-year term as Head of Improvement. The removal of Julie's post from the structure will contribute to the savings required in the next few years.
- 5.9 This change has immediate implications for the individuals and teams who currently report to Julie, the remaining members of CMT and all other members of the Extended Management Team who report to CMT. As a result we will be reviewing the roles, responsibilities and reporting arrangements for the whole of EMT once sufficient information is available, including any Expressions of Interest submitted in September, the outcome of the consultation currently under way on the content of the proposed Sustainable Community Strategy and early views from the Executive on what our priorities should be for next year's budget. And we have just started designing the team we need to deliver NW Bicester now the Government has designated it an eco-town location. The scale of the challenge demands a dedicated team – probably involving members of staff from partner organisations too.
- 5.10 All this means the review will take place in October. It will include consideration of the future responsibilities and reporting lines for the improvement team. In the meantime a set of interim arrangements for the teams who currently report to Julie will be put in place, as follows:
- Pat Simpson, Head of Customer Service and Information Systems, to report to Ian Davies, Strategic Director Environment and Community
 - Karen Curtin, Head of Finance and Liz Howlett, Head of Legal and Democratic Services to report to Mary Harpley, Chief Executive
 - Laretta Vitalis, Interim Head of Revenues and Benefits (with the exception of Benefits Investigations) to report to Karen Curtin
 - Chris Dickens, Chief Internal Auditor, and Jeff Brawley, Benefits Investigations Manager, to report to Liz Howlett
 - Dave Wade, Corporate Facilities Manager, to report to Anne-Marie Scott
- 5.11 A further recommendation to full council is that Phil O'Dell returns to us for six months to
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fulfill the statutory and very specific role of Section 151 Officer in the run-up to the setting of next year's budget under the same part-time arrangements as before.

6 Risk Assessment, Financial Effects and Contribution to Efficiency Savings

6.1 The following details have been approved by Karen Curtin, Head of Finance, Extension 1551.

6.2 Risk Assessment

The risk associated with not approving the recommendations contained in this report

6.3 Financial Effects

There are no financial effects as a direct result of this report. However as background, the financial forecasts prepared in our latest MTFS showed accumulated shortfall of £2.6m for the financial years 2010/11, 2011/12 and 2012/13. These shortfalls are due to the continuing lack of appropriate levels of Government funding, rising demand for Council services and the significant reduction in interest earned on the Council's investments following the dramatic fall in interest rates in late 2008. In order to Address these shortfalls the Council needs to consider ways to reduce its annual revenue budget.

6.4 The Council has already made a commitment to reduce revenue costs by £1million in 2009/10 and has developed an action plan to support this. The outcome of this work planning exercise is likely to result in a further reduction to revenue costs. .In anticipation of the outcome of this exercise a reserve for organisation change of £0.9m was established as part of the 2008/09 review of reserves to meet the costs of any redundancies or early retirements. A further review of this reserve will be undertaken once the outcome of this exercise is known.

6.5 Efficiency/Savings

There are no efficiency savings arising from this report however. It is anticipated that as an outcome of this exercise a number of efficiencies will be identified. These will be quantified at a later date

7 Recommendations

7.1 The Committee is **RECOMMENDED** to comment on and endorse the contents of this report

Letter sent to employees

Employee form for expression of interest

Chief Executive's Office

Mary Harpley Chief Executive



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July 2009

Dear Colleague

Planning for the Future

We are writing to all members of staff today with some important information. It is impossible at the moment to escape media coverage about future significant cuts in public sector spending. We are already planning to reduce our costs by £2.6m over the next three years, but it now appears inevitable we will have to achieve savings greater than this. It is difficult to be certain how much more we'll need to save and by when, but it is clear we could only make such savings by reducing the number of staff who work for us.

We are determined to minimise the impact of any reduction in staff numbers on everyone who works for the council and planning ahead is the only way we will be successful in this. We would like, wherever possible, to be able to reduce our wage bill by not replacing people who leave and by using these vacated roles as opportunities for others whose own jobs might be at risk. Other options to reduce our wage costs include offering reduced working hours and periods of unpaid leave.

Normally we would only have limited information about people's intentions to retire from or leave the council or to move from one internal role to another. We haven't to date explicitly encouraged people to think about reducing their hours or taking periods of unpaid leave. However, we are now asking you to do this and to tell us about your plans and aspirations. By knowing what flexibility we have, we will be better able to plan our course through the next two to three uncertain years and to reduce the risk of compulsory redundancies.

These are the particular areas around which we'd like to understand your intentions:

- **Retirement**

We would like people who are planning to retire in the next three years to give us an indication of their intentions. Some people have their retirement provision protected under the '85-rule' and may want to consider accessing their pension this way.

- **Voluntary redundancy**

We would like to hear from people who want to be considered for voluntary

redundancy in the next three years. Any posts vacated this way have to be deleted from our structure and we must be sure services can continue functioning properly without them. Those in the 50-54 age bracket may want to consider this option in particular. Changes to the Local Government Pension Scheme rules mean that on 1st April 2010 the age at which people who have been made redundant (voluntarily or compulsorily) can access their pension moves from 50 to 55.

- **Career development**

If you'd like to move to another part of the council please share your aspirations with us. Staff movement within the organisation contributes to the flexibility we will need.

- **Working hours**

We are happy to consider requests to reduce working hours, either permanently or for a defined period of time.

- **Unpaid leave**

You may like to consider taking a period of unpaid leave to, for example, travel, study, spend time with family or learn a new skill. We are happy to consider such requests.

We recognise that sharing plans and wishes with us may feel uncomfortable. We are in no doubt how committed our staff are to their jobs and responding to this request will in no way be interpreted as a lack of commitment to the council.

We do not expect to hear from everyone as a result of this letter. Many people will read this and not want to consider any of the options above. If you do express an interest in any of them we will not hold you to it. Nor can we guarantee being able to meet your request. It is possible that we will run one or more similar exercises in the future to take account of the fact that individuals' circumstances change.

We are trying to match individuals' plans and aspirations to two corporate needs: reducing costs and maintaining excellent services. We won't therefore be able to consider people's plans in isolation, but will need to understand the complete picture before taking decisions. The process will be as follows:

- In the first full week of September we'll publish a form which will give you the opportunity to express your intentions or aspirations around the options in this letter.
- Completed forms should be returned to Anne-Marie Scott by Friday 25th September.
- We will ask for further information about the requests that we think we might be able to approve, and that people want to pursue, from individuals, their line managers and their Service Heads.
- We aim to communicate our decisions by the end of November.

We hope we have got across in this letter the purpose of understanding people's plans and aspirations in more detail. The next round of all staff briefings will be in September, so you'll have the chance to ask Mary questions directly before the deadline for completed forms. In the meantime if you have any questions about your personal situation, the changes to the pension rules or anything else please talk to the HR team or to your Head of Service.

Yours sincerely



Mary Harpley
Chief Executive



Councillor Barry Wood
Leader

Planning for the Future

Please return to Anne Marie Scott, Head of HR by Friday 25 September 2009

Name			
Job Title			
Dept			
Line Manager			
Ext No			
<p><i>I wish to express an interest in one or more of the following options (please tick):</i></p> <p> <input type="checkbox"/> Early Retirement <input type="checkbox"/> Voluntary Redundancy <input type="checkbox"/> Career Development <input type="checkbox"/> Unpaid Leave <input type="checkbox"/> Working hours: <input type="checkbox"/> Permanent change <input type="checkbox"/> Temporary change <input type="checkbox"/> Other </p>			
<p><i>Sharing any other plans:</i></p> <p> <input type="checkbox"/> I have plans to retire over the next 3 years (please indicate year if known 20____) <input type="checkbox"/> I have plans to leave the Council for other reasons in the next 3 years (please provide any further detail below) </p>			
<p><i>Please provide details of your aspirations including preferred implementation date:</i></p>			
<p>I understand that this information is submitted on the basis that I can change my mind before any final decision/change is made. I also understand that my request will only be approved if corporate needs can be met following the change.</p>			
Signed:		Date	