



REPORT TO: AUDIT & PERFORMANCE REVIEW COMMITTEE – 19 MARCH 2014

SUBJECT: SUMMARY OF AUDIT SCOTLAND'S REPORT – SCOTLAND'S PUBLIC SECTOR WORKFORCE

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 This report advises the Committee of the findings from Audit Scotland's Report "Scotland's Public Sector workforce".
- 1.2 This report is submitted to Committee in terms of Section III J (3) of the Council's Administrative Scheme relating to considering reports from Audit Scotland concerning Council functions.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee scrutinise and note the content of this report.**

3. BACKGROUND

- 3.1 This report summarises the main issues highlighted within the Audit Scotland Report "Scotland's Public Sector Workforce" and considers any implications for the Moray Council's future workforce planning. The report is in 3 parts: changes in staff numbers and costs; implementing workforce changes; and planning for future workforce changes. A copy of the Audit Scotland publication has been placed on the Members' portal
- 3.2 Workforce planning is the process that organisations use to make sure they have the right people with the right skills in the right place at the right time. To manage their workforces effectively organisations need to have up-to-date information on: the numbers of people they employ; what skills the workforce have; where there are gaps; and what skills and staff will be needed to deliver future services and priorities. This data should be used to plan and manage the workforce and make and necessary changes to meet the organisation's objectives.
- 3.3 The Moray Council regularly reports on its workforce in order to monitor and manage the workforce to effectively deliver the Council's services. Human

Resources also work with Heads of Service (using the 6 monthly departmental profiles) to assist them in planning for future staffing and skills gaps.

- 3.4 Audit Scotland's report examines how councils, the NHS, the Scottish Government and other central government bodies have changed their workforces since 2009 (figures and savings are available in the full Audit Scotland report). It looks at how they have made changes, what savings they have made and what they need to do in the future.
- 3.5 The aim of the audit is to assess whether public bodies are effectively managing changes to their workforces, specifically the change to the size and structure of the public sector between April 2009 and March 2015, the financial costs and benefits of changes to the public sector workforce and whether long-term cost reductions are being provided. The report also considers the significant opportunities and challenges that face those managing the workforce in future years.
- 3.6 The key points from the Audit Scotland report are:
 - (a) From March 2009 to March 2013, the public sector workforce reduced by 7%. Of this, 4% left through early departure schemes with the remainder transferring to arms-length external organisations and other non-public sector bodies.
 - (b) The reductions mentioned above helped public bodies to reduce staff costs by an estimated £1 billion (8%) between 2009/10 and 2011/12.
 - (c) Public sector bodies use a range of approaches to manage workforce numbers and costs, and not all routinely collect information on costs and savings of their workforce change programmes.
 - (d) Public sector finances will continue to be under pressure for the foreseeable future (this varies between sectors), however, only 70% of the 80 bodies surveyed were able to predict workforce numbers and costs for 2014/15.
 - (e) Public bodies will need to make further workforce changes, given the challenges ahead and think differently about how services are delivered. The Scottish Government has a number of reforms under way that could help deliver some of the change needed.
- 3.7 The recommendations from the report are outlined in Table 1 along with an assessment of the current The Moray Council position:-

Table 1

Recommendations	The Moray Council
Develop and use organisation wide workforce plans, informed by a series of service or departmental plans that are consistent in their structure and content. Senior managers and elected members should scrutinise and monitor these plans.	Monitoring and reporting systems are already in place at a council level. CMT and elected members receive workforce profiling (WFP) information every quarter. Heads of Service receive WFP about their service every 6 months along with planning meeting held with HR. Annual reports are produced to show the WFP pattern over a yearly period enabling the council to compare with previous years information. Education and Social Care have a thematic Workforce Strategy and Action Plan and whilst some services have a more detailed plan, not all services produce a workforce plan.
Assess the impact of different terms and conditions on the likely costs and uptake of their departure schemes before they put a scheme in place.	The Council has reviewed its early departure schemes to ensure that they meet current requirements. The recent shift to Transform means that less reliance is placed on these as a means of reducing workforce numbers. The impact of the schemes if considered during consultation with Trade Unions, departmental managers and finally by Committee.
Collect information on the costs and net savings from their workforce programmes and report these details to elected members.	The costs of each voluntary early departure case are considered by Committee and have to prove to be cost effective within a three-year period. Information on estimated redundancy costs is included on workforce change reports. Monitoring reports on Transform provide information on departure costs. Collated information on departure costs is also prepared by the Head of Financial Services and included in the Remuneration Report which is published with the annual accounts.
Forecast /	

Recommendations	The Moray Council
Forecast expected staff numbers, skill needs and costs on a rolling 3 year basis, using scenario planning where necessary.	The Council has estimated the total impact on the workforce over the period of budget reductions. Change management plans take account of the detail as it becomes available. General measures are in place through Transform to realign the workforce based on projected needs. Some services (e.g. Community Care) undertake more detailed work around skills but this is not in place across the council. All areas consider key posts and skills as part of workforce and business continuity planning.
Make better use of existing mechanisms, such as community planning partnerships, to identify opportunities to share resources, including workforces.	In place, the 10 plan is developing a process with the community planning partnerships. The Council also maintains pan-Grampian workforce planning contacts although given geography this has had limited application other than sharing techniques.

4. ACTIONS

- 4.1 Taking account of the recommendations of the Audit Scotland Report and the assessment of the Council's position above, the following actions were proposed to the Policy and Resources Committee on 18 March 2014:-
- (i) Services will use a consistent approach and template as a base point for workforce planning.
 - (ii) Workforce planning will be reviewed annually by services as part of service plan preparation.
 - (iii) Service plans will highlight any areas identified from workforce planning that require particular action
- 4.2 This approach for workforce planning and is consistent with the way risk management and procurement are currently addressed in service planning.

5. SUMMARY OF IMPLICATIONS

(a) Council / Community Planning Priorities

National Priority 15 of the Single Outcome Agreement relates to our public services are high quality, continually improving, efficient and responsive to local people's needs.

- (b) **Policy and Legal:** None.
- (c) **Financial implications:** Quality cost information will inform policy decisions and improve performance scrutiny.
- (d) **Risk Implications**
Risks associated in not considering National Audit Report findings include not meeting our statutory duty to secure best value.
- (e) **Staffing Implications:** None.
- (f) **Property:** None.
- (g) **Equalities:** An Equality Impact Assessment is not required because the reason for the report is simply for the committee to note and consider.
- (h) **Consultations:** the Clerk and Legal Adviser have been consulted on the content of the report and any comments have been incorporated.

6. CONCLUSION

- 6.1 A review of ‘Audit Scotland’s Report “Scotland’s Public Sector workforce” demonstrates that The Moray Council’s corporate workforce planning meets the standard recommended by Audit Scotland. However further work is required to ensure that workforce planning activity is undertaken within all services and departments and that a consistent approach is taken.

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Background Papers: Held by Author and on Elected Members portal
Ref: [Scotlands Public Sector workforce \(March 2014\).docx](#)