



26th September 2012

Agenda Item: 8

**REPORT OF THE SERVICE DIRECTOR - HUMAN RESOURCES AND
CUSTOMER SERVICE**

**NOTTINGHAMSHIRE COUNTY COUNCIL EMPLOYEE HEADCOUNT
INFORMATION**

Purpose of the Report

1. The purpose of this report is to provide Elected Members with an overview of the position in relation to the number of people directly employed by the County Council and trends in this data to enable members to monitor the impact of the Improvement Programme and Medium Term Financial Strategy on the workforce. Personnel Committee have received separately a report on the profile of the workforce.

Information and Advice

Background:

2. In late 2009 and into 2010 the Council initiated a programme of service review and organisational re-design to deliver a modern, leaner, less bureaucratic and more efficient organisation which is fit for the future. This included the implementation of a more streamlined management structure to release resources to reinvest in front line services and priority areas and improve and move decision making closer to the front line and the customer.
3. A number of detailed business cases were developed and agreed by Elected Members in order to deliver the proposed changes. These were progressed under the auspices of a Council-wide Improvement Programme to transform the Council and the way it operates.
4. The achievement of these ambitions and the strategic priorities set out in the Council's Strategic Plan and the response to the budgetary challenges facing the Authority as set out in the Medium Term Financial Strategy has resulted in an overall reduction in the number of people directly employed by the County Council. This is as predicted by the County Council in 2010 when an expected staffing reduction of around 2,500 over the following three years was announced.
5. Further information on the overall staffing of the County Council and how this has changed since 2009/10 is set out in the following paragraphs.

Headcount

6. The current County Council **headcount figure** for non-school based staff as at 31st July 2012 is **9,939**. This includes directly employed permanent and temporary staff. The figure excludes those employed in schools and relief, supply and casual employees.
7. The trend in the overall head count figures over the last three years can be identified from the table attached as Appendix A. This shows an overall reduction of 2,492 people since August 2009 when the number of people directly employed was 12,431. This represents an overall reduction of 20%.
8. This reduction is due to a number of reasons including the implementation of the service review business cases and organisational re-design of the Council with resultant redundancies and transfer out of some staff, natural turnover and retirement. These factors are explored in more detail in the following paragraphs.

Turnover

9. Natural turnover as employees reach retirement age, gain alternative employment or leave work for other reasons has generally been in the region of 11-12% over recent years. A proportionate degree of turnover is inevitable and desirable in any workforce. If predicted and planned such turnover can be used to support the achievement of predicted reductions in the workforce going forward and ensure the continued supply of new skills and ideas to supplement those within the existing workforce. This approach is reflected in the Council's Workforce Strategy. Turnover for the twelve month period up to 30th September 2011 had virtually doubled to 20.54%. The organisational service review and redesign will also have impacted on this figure with some people taking voluntary redundancy and retiring earlier than they might otherwise have done.

Redundancies

10. The Council remains committed to fulfilling its legal obligations by mitigating against the number of compulsory redundancies through the careful use of both voluntary redundancy requests and the robust management of the vacancy protocol process.
11. A wide ranging voluntary redundancy exercise began in 2009 and still continues where employees are able to express an interest in voluntary redundancy which was then considered by managers. Making the process open to employees across as much of the organisation as possible has maximised the use of voluntary redundancies and allowed

more creative identification of possible bumping opportunities. It has also supported more effective workforce planning as managers may not have been able to support all redundancy requests at a particular point in time but may be able to plan to utilise these requests in the future.

12. The following table details the redundancies as a result of the implementation of Section 188 notices since the Council's phase I of the Improvement Programme began in 2009:

	2009/10	2010/11	2011/12	2012/13*	Total*	%
Voluntary Redundancy	119	402	535	124	1180	80.51
Compulsory Redundancy	62	63	94	11	230	19.49
Total					1410	

*2012/13 figures subject to update

13. The table confirms that the majority of redundancies arising to date continue to be achieved through voluntary means. A range of mitigations including a vacancy control protocol to reserve vacancies for staff at risk of redundancy and associated redeployment search, retraining and job search support have helped to manage and minimise the impact on individuals. These are set out in more detail in the following paragraphs.

Redeployments

14. Every effort has been made to support employees at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. The following table details the number of employees redeployed since 2010/11 when redeployment data began to be captured:

Year	Number of employees redeployed
2010/11	34
2011/12	86
2012/13*	18
Total*	138



*2012/13 figure subject to update

15. In comparison to the number of potential compulsory redundancies from 2010/11 onwards, there has been an overall **45% success rate**.
16. This figure also needs to be viewed in the context of an overall decrease in the number of posts available and available job vacancies as natural turnover rates have declined.

Support for employees at risk of redundancy

17. In order to pro-actively assist staff at risk of redundancy to remain in employment wherever possible, a dedicated intranet site has been developed.
18. Information regarding training opportunities, briefings, individual support sessions and other advice and support is located on this site. Managers are requested to facilitate access to this or to bring this to the attention of employees who do not routinely have access to a computer during the course of their employment. This information is also accessible via the internet so employees can access this from outside of their work base if they wish.
19. The support provisions continue to be very well utilised and between January and July 2012 alone:
 - There have been 94 training and support sessions offered. These range from career planning, CV writing and interview skills, dealing with change to planning for retirement and financial management.
 - A range of support and guidance is available on-line covering a wide range of topics - over 3000 information downloads have occurred between January and July.
 - Job seeking advice sessions have been provided in partnership with Job Centre Plus which were attended by 210 employees.
 - Pensions roadshows visiting larger County Council sites to provide one to one advice and deal with specific queries and inquiries from members of staff.
20. An ongoing programme of support for employees is in place into the Autumn and further dates will be provided into next year.

Vacancies

21. The Vacancy Protocol arrangements remain in place and have been important in enabling reductions to be made without the need for redundancy or providing redeployment opportunities for employees at risk of redundancy.

22. Of the general posts listed on the Section 188 notices issued since 2009, **581.5 fte**

were identified as vacant at the time the notice was served, that is, their deletion did not place an employee at risk of redundancy.

22. In addition, the section 188 notices identified reductions across the board in business support and management and supervision posts. A number of these posts were also vacant but were not individually identified on the section 188 notices. These vacancies contributed to the implementation of the redesigned business support functions and overall 25% reduction in the number of management and supervision posts across the County Council.

TUPE Transfers

23. Service reviews and reprioritisation of service delivery has resulted in the transfer of some service delivery to other providers with the associated staff transferred on County Council terms and conditions under the relevant legislation (TUPE) in a number of areas.

24. This is balanced by the fact that other functions, such as the Highways Manage and Operate Partnerships (MOPS), have recently come into the direct management of the County Council, along with the associated employee cohort.

25. The overall impact of the reductions listed above needs to be considered in the context of these fluctuations in the workforce due to the implementation of TUPE transfers of staff in and out of the authority. The table in Appendix B details areas where transfers have occurred and the net impact on the number of people directly employed by the County Council.

Next Steps

26. The County Council is broadly on track with the implementation of the various business cases to complete the review of services and re-design of the County Council and meet the associated savings targets identified in the existing business cases up to April 2013. Opportunities for further savings and the continued transformation of the County Council into 2013/14 and beyond will need to be identified and reflected in the next phase of the work of the Improvement Programme.

27. The Personnel Committee in March 2013 will receive an update report on the headcount information to reflect the ongoing trends. This will sit alongside the workforce monitoring data which provides more detail on the make-up of the workforce.

Other Options Considered

28. A wide range of options and actions have been considered as set out in the body of the report.

Reasons for Recommendations

29. The provision of this information will enable Members to review the impact of the Council's Improvement Programme and Medium Term Financial Strategy in terms of the numbers of people directly employed by the organisation. Regular update reports will be submitted on a six monthly basis. Information in relation to the make up of the workforce will continue to be monitored in line with statutory reporting requirements and members updated on this as reported to Personnel Committee previously.

Statutory and Policy Implications

This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Human Resources Implications

30. The human resources implications are implicit in the body of the report. The trade unions are engaged in ensuring that appropriate mitigations reduce the number of redundancies, particularly compulsory redundancies, arising from the Council's organisational redesign programme and identified budget savings through a Joint Redundancy and Redeployment Working Group.

Trade Union Comments

31. Trades union colleagues have been consulted on the content of the report and have expressed concern at a 20% reduction in the number of staff employed over a three year period. The trades union comments are available in full as a background paper to the report.

Equalities Implications

32. The Council's Enabling procedure and Early Retirement and Redundancy and Redeployment policies apply equally to all directly employed staff. These procedures contain guidance which ensures appropriate and consistent management of the redundancy consultation and selection processes and that this is undertaken in compliance with the requirements of the Equality Act 2010.
33. Equality Impact Assessments are undertaken as appropriate as part of the Service Review process to ensure that implications of any proposed changes for service users and staff are identified and action taken to address any

specific issues or disproportionate impacts on particular groups arising from the proposed changes.

Financial Implications

34. The range of mitigations in place help to ensure that, wherever possible at risk staff are redeployed to suitable alternative posts thus maintaining the Council's investment in their skill development and reducing the cost of redundancy compensation payments, and, where the redundant employee is over 55 years of age, under Local Government Pension Scheme Regulations, the early release of their pension benefits.
35. The financial cost of redundancies to the Council is reported on an annual basis through the Statement of Accounts.

RECOMMENDATIONS

It is recommended that Members:

- a) Note the employee headcount data contained within this report and the relative impact of redundancies and associated factors in mitigations, turnover and TUPE transfers on the overall number of employees.
- b) Agree to receive six monthly update reports on the County Council's employee headcount information.

Marjorie Toward
Service Director HR and Customer Service

For any enquiries about this report please contact: Claire Gollin, Group Manager HR on 0115 9773837 or Claire.gollin@nottsccl.gov.uk

Constitutional Comments (KK 13/09/12)

The proposals in this report are within the remit of the Personnel Committee.

Financial Comments (MB 11/09/12)

There are no specific financial implications arising from the report.

Background Papers

Trades union comments.

Electoral Division(s) and Member(s) Affected

All

