

**11<sup>th</sup> September 2013****Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR HR 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 updated overview of the position in relation to the number of people directly employed by the County Council as at 31<sup>st</sup> July 2013 and trends relating to this data to enable members to monitor the on-going impact of the Council's service review programme and financial strategy on its workforce.

**Information and Advice****Background:**

2. An initial report setting out how the overall staffing levels of the County Council had changed between 1<sup>st</sup> June 2009 and 31<sup>st</sup> July 2012 was considered by Personnel Committee on 26<sup>th</sup> September 2012. In order that the on-going impact on overall staffing levels can be monitored and assessed, this report updates the situation to reflect the intervening 12 month period.
3. This report highlighted that, as part of the Council's initial three year budget plan to release available resources to reinvest in front line services, in 2009/10 the first phase of a programme of service review was introduced which resulted in the identification of posts for proposed deletion, listed on a series of Section 188 notices. A total of **681** full time equivalent (fte) of these posts were vacant and were deleted.
4. In 2010 this was predicted by the County Council as being in the region of a staffing reduction of around **2500** over the following three years and between August 2009 and August 2013 the number of people employed by the Council has reduced by **3027**, an overall headcount reduction of around **24%**.
5. This reduction was for a number of reasons: **1516** of people leaving did so due to redundancy, the majority, over **84.4%** of which were voluntary. The remainder of these reductions reflects natural turnover, retirement or the impact of the transfer of some services to other providers.
6. The application of a robust vacancy control protocol had at that point resulted in the successful redeployment of **46%** of those people at risk of redundancy being redeployed to alternative jobs within the Council.

### **Headcount:**

7. The current County Council headcount figure for non-school based staff as at 31<sup>st</sup> July 2013 is **9404**. This includes directly employed permanent and temporary staff. These figures exclude relief, supply and casual employees.
8. The trend in the overall headcount figures since July 2009 up to 31<sup>st</sup> July 2013 can be identified from the table in **Appendix A** of this report.
9. This overall 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.
10. The graph at **Appendix A** identifies a recent “levelling off” during 2012 -13 with a marginal headcount increase in December 2012, continuing into January 2013 and a marked reduction from 1 April 2013.
11. This reflects the fact that relatively fewer posts were listed on the 2012/13 in year Section 188 notice issued on 31<sup>st</sup> October 2012 , with consultation running up to 29<sup>th</sup> January, and enabling and redundancy selection processes continuing up to 1<sup>st</sup> April 2013. The downward trend from April reflects a large number of posts which have been TUPE transferred out of the Council.

### **Turnover:**

12. In addition to those leaving the organisation as a result of staffing reductions, natural turnover inevitably occurs as employees reach retirement age, gain alternative employment, transfer to other employers or choose to leave work for other reasons.
13. In these situations a vacancy occurs and due consideration is given through the Council's Vacancy Control Process, introduced in June 2013, to deleting or filling the vacant post with the aim of minimising the impact of service change on existing employees.
14. The Council is committed to effective workforce planning reasons to retain key skills and experience whilst ensuring the continued supply of new skills and ideas where vacant posts are released for advertising to supplement those already within the existing workforce.
15. The Council's turnover rate is currently around **9.6%**, a relatively low rate, possibly partly reflecting the wider on-going impact of the economic situation on the job market.
16. It is anticipated that organisational service review and redesign continues to impact on natural turnover with some employees opting to leave the organisation or retiring earlier than they might otherwise have done.

### **Redundancies:**

17. In October 2012, the County Council published its most recent Section 188 Notice opening a consultation on 218.8 fte posts listed as being potentially at risk. Of the posts listed on this

latest Section 188 Notice, of these 101.7 fte were already vacant and were deleted from the Council structure.

18. The consultation period ran up to 29<sup>th</sup> January 2013 and the final impact of the post reductions listed in respect of voluntary and compulsory redundancies can now be fully reflected in this report.
19. When redundancies are proposed, all reasonable mitigations are considered in order to reduce the impact of post deletions arising from service review on individuals, including vacancy control, redeployment, effective workforce planning (including retraining / reskilling), and wherever possible volunteers for redundancy are given priority consideration.
20. The trade unions work closely with management at a corporate level through a Joint Redeployment and Redundancy Working Group to ensure that the potential to reduce the number of compulsory redundancies is fully and consistently explored.
21. The following table provides an update on the redundancies arising as a result of the implementation of Section 188 notices issued by the Council since 2009:

	<b>2009 / 10</b>	<b>2010 / 11</b>	<b>2011 / 12</b>	<b>2012 / 13</b>	<b>2013/ 14*</b>	<b>Total*</b>	<b>%</b>
<b>Voluntary Redundancy</b>	119	402	535	199	25	<b>1280</b>	<b>84.4</b>
<b>Compulsory Redundancy</b>	62	63	94	11	6	<b>236</b>	<b>15.6</b>
<b>Total redundancies</b>						<b>1516</b>	

\*2013/14 figures as at 31<sup>st</sup> July 2013, subject to year-end update.

22. The table confirms that the majority of redundancies arising to date continue to be achieved through voluntary means. During the current financial year the number of redundancies carried forward from previous Section 188 notices is low and the proportion of these that have been compulsory is minimal.
23. A range of mitigations, described below, including the recently refreshed Vacancy Control Process to reserve vacancies for staff at risk of redundancy and associated redeployment search, retraining and job search support are in place to help manage and minimise the impact on individuals.

#### **I. Redeployments:**

24. Every effort continues to be made to support employees at risk of redundancy by seeking redeployment into suitable alternative employment opportunities. The following table provides an in year update on the number of employees redeployed since 2010/11 when redeployment data began to be captured:

<b>Year</b>	<b>Number of employees redeployed</b>
2010/11	34
2011/12	86
2012/13	26
2013/14	4
<b>Total*</b>	<b>150</b>

\*2013/14 figure subject update

25. In comparison to the number of potential compulsory redundancies from 2010/11 onwards, there has been an overall 46% success rate to date.
26. This figure should 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.
27. The Council aims to offer every reasonable support to engage redeployees in accessing skills based training and retraining opportunities to maximise their potential to be redeployed into suitable alternative posts. Current consideration is being given as to how this might be extended and improved.

## **II. Other support for employees at risk of redundancy:**

28. In order to pro-actively assist staff at risk of redundancy to remain in employment wherever possible, a dedicated intranet site offers a range of on-line support and guidance covering a wide range of topics. Since the last headcount report this has been improved and consolidated into a more accessible format in response to feedback from managers and employees.
29. These support provisions, which range from career planning, CV writing and interview skills, dealing with change to planning for retirement and financial management, continued to be very well utilised. Between October 2012 and July 2013, employees made a further 616 information downloads of associated support guides and documents.
30. Information regarding training events and individual support sessions is also accessible via the NCC internet so employees can access this from outside of their work base if they wish. 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.
31. In the last 12 months there have been a further 21 training and support sessions offered, including some run in partnership with Job Centre Plus. These were attended by an additional 167 employees and further events have already been arranged for later in 2013.

## **III. Vacancy Management:**

32. Revised Vacancy Control arrangements, reported to Elected Members in detail at the Personnel Committee meeting on 12<sup>th</sup> June 2013, were implemented from 3<sup>rd</sup> June 2013. The new measures will ensure a greater robustness and consistency of vacancy

management process to better enable further post reductions to be made whilst providing redeployment opportunities for employees at risk of compulsory redundancy.

33. Of the general posts listed on all the Section 188 notices issued to date since 2009, **681** in total were identified as vacant at the time the notice was served, that is, their deletion did not place an employee at risk of redundancy.
34. 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 – Update:**

35. The overall impact of staffing reductions needs to be considered in the context of fluctuations in the workforce due to the implementation of transfers of staff in and out of the authority under the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).
36. As reported to Personnel Committee in September 2012, at 31<sup>st</sup> July 2012 the net impact to date was then a headcount reduction of **475** in total.
37. During the intervening 12 months in total a further **414** NCC staff have transferred out of the authority and **60** into the authority, a net reduction of **354** heads.
38. Specifically, in April 2013, around 59 Public Health staff became direct employees of the Council through TUPE. However, this was significantly offset in terms of overall headcount against the TUPE transfer out of around 213 staff from Children's Centres and 46 from the National Water Sports Centre.

### **Next Steps:**

39. Given the increased financial challenge facing the County Council over the next three years, further posts will need to be identified for deletion and the new Vacancy Control measures provide a framework for this.
40. Every effort will continue to be made to use requests for voluntary redundancy and prioritise vacancies for use as redeployment opportunities for staff at risk of redundancy. These further post reductions will contribute towards the budget savings the County Council has initially identified as needing to be made over the next three years.

### **Other Options Considered**

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

### **Reasons for Recommendations**

42. The provision of this information will enable Members to review the impact of the Council's service review programme and financial predictions in terms of the numbers of people

directly employed by the organisation. Further regular update reports will be submitted on a six monthly basis. Information in relation to the profile of the NCC workforce will continue to be monitored in line with statutory reporting requirements and members updated on this through annual reports to Personnel Committee.

## **Statutory and Policy Implications**

43. 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**

44. 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.
45. The Trade Unions have confirmed that they acknowledge the figures contained within this report.

## **Equalities Implications**

46. 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.
47. 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.
48. Personnel Committee on 23<sup>rd</sup> January received a report summarising the profile of the County Council's workforce, as at March 2012, and an update as at 31<sup>st</sup> March 2013 will be submitted to the next meeting of this Committee as part of an established annual reporting regime. The report cross references the fall in the number of posts and employees since 2010 and highlights that despite this, the representation of disabled people, people from black and ethnic minority groups and the balance of male and female employees on the workforce has remained fairly constant and comparable with the representation in the local community.

## **Financial Implications**

49. 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.

50. The financial cost of redundancies to the Council is factored into the refresh of the MTFS and actual costs are reported on an annual basis through the Statement of Accounts.

## **RECOMMENDATIONS**

51. It is recommended that Members:

1. Note the employee headcount data and trends contained within this report.
2. Note the relative impact of redundancies and associated mitigations, natural turnover, vacancy control and TUPE transfers on the overall number of employees.
3. Agree to receive further quarterly update reports on a regular basis.

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### **Constitutional Comments (KK 16/08/13)**

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

### **Financial Comments (SEM 16/08/13)**

There are no specific financial implications arising directly from this report.

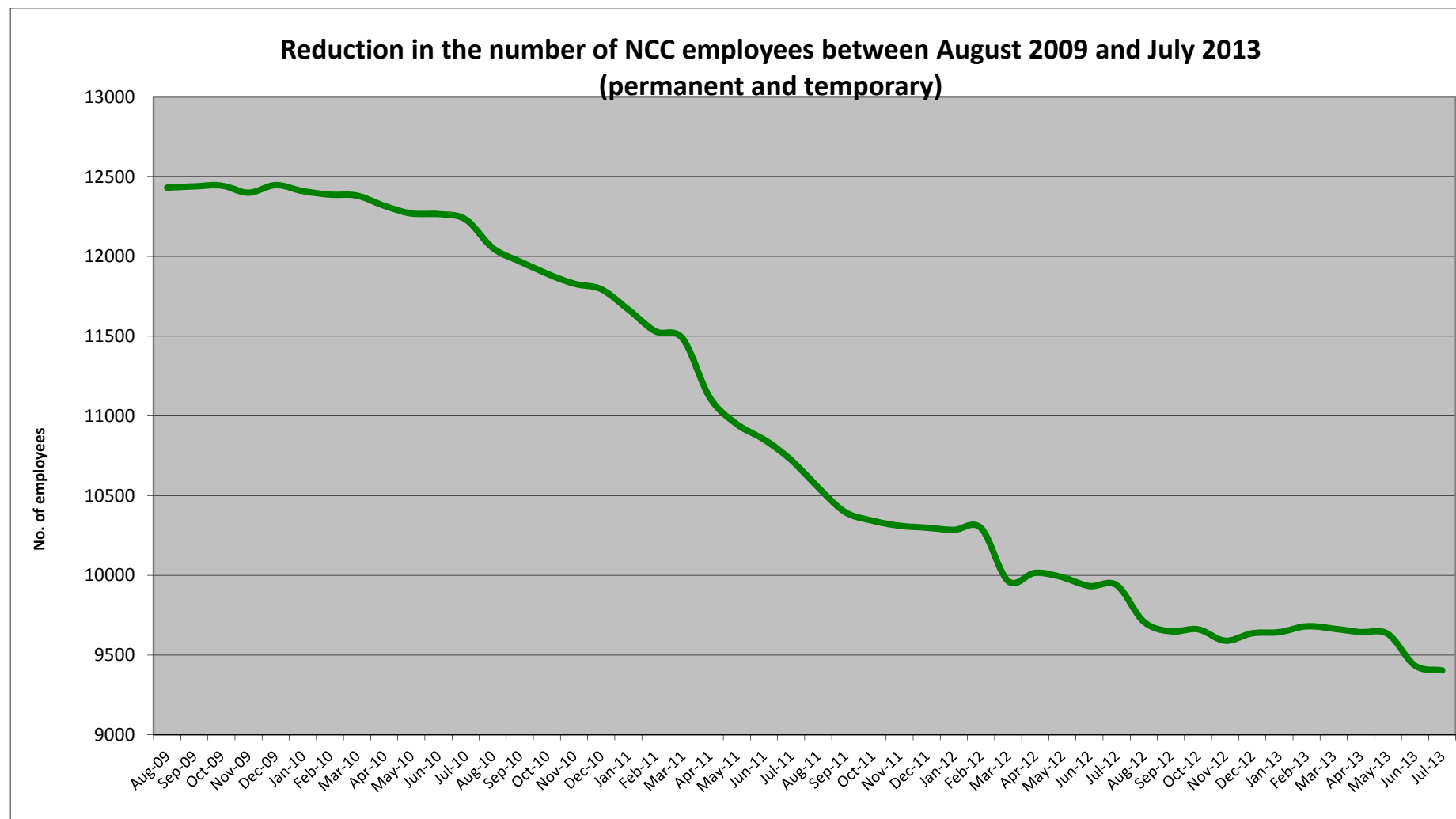
### **Background Papers**

None

### **Electoral Division(s) and Member(s) Affected**

All

## Appendix A



	August 2009	July 2013	Overall headcount reduction
NCC Employees	12,431	9,404	3,027