

# Workforce reform

## A strategic approach to restructuring your workforce while minimising redundancy costs

The high cost of people transition within the public sector workforce requires creative solutions for managing people and needs during a time of unprecedented financial challenge for public sector organisations.

The Spending Review has set out the timeframe for a significant downsizing of the public sector, and all government departments are challenged to make unprecedented savings over the next four years. Cost reduction through workforce planning is one of the few strategies available to achieve savings of up to 40%.

To avoid the adverse social impact that a major reduction in public sector jobs could have on parts of the country, Government will have to find creative solutions to achieve its goals.

### Our response

PricewaterhouseCoopers LLP (PwC) has developed a focused workforce restructuring solution to minimise redundancy costs. It provides the opportunity to make significant cost savings while minimising the social impact of downsizing.

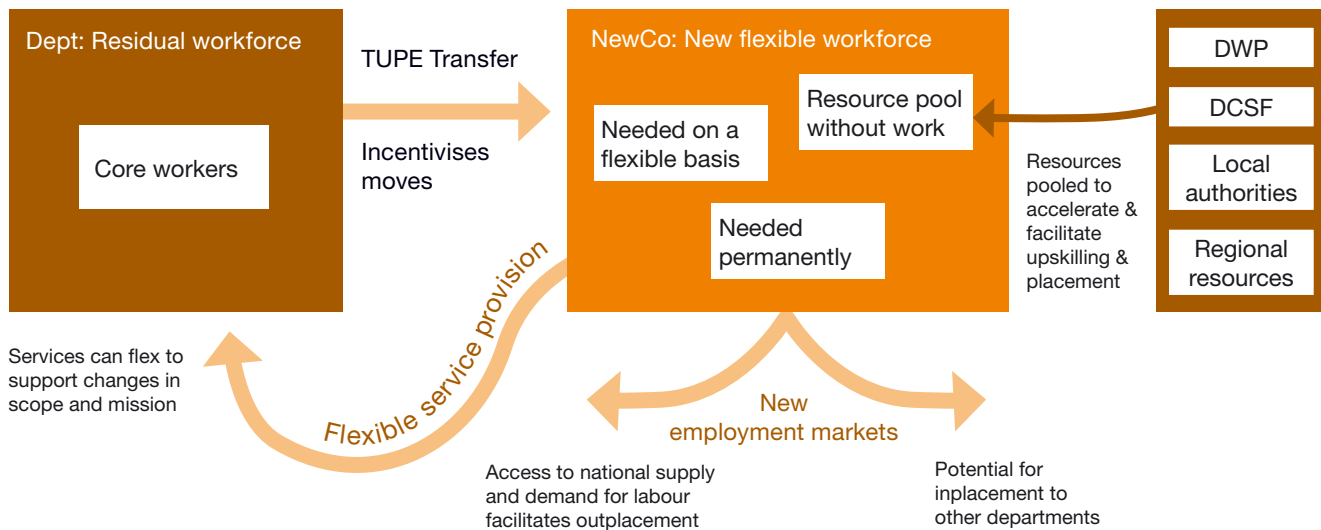
Working in collaboration with Manpower, one of the UK's leading employment experts, your workforce costs will be cut through the rigorous measurement and management of performance, and the redesign of business processes.

Access to national and regional employment markets is offered to ex-employees including follow-up support; the chance of re-employment is increased through careful employee profiling combined with re-training, job readiness coaching and support through the interview process.

### The benefits

- Support to develop and agree focused cost savings objectives for restructuring
- A bespoke delivery model to achieve savings targets
- Sensitive down-sizing of your workforce, with follow-on transition support
- A refreshed workforce with increased productivity
- Stimulation of local economies when implementing major relocation operations
- Payment upon results through a risk/reward contract structure

## The restructuring solution in practice



### The key stages are:

- 1 Before the transfer, we will work with you to segment your workforce. We will identify which groups, lines of service or business units can most effectively deliver the savings you need to make
- 2 We set up a new company as a joint-venture with the department as a shareholder. This creates continuity of leadership for employees and enables a future workforce strategy which is jointly owned. The new company charges the department for the services it provides
- 3 Complying with the 'Transfer of Undertakings (Protection of Employment) Regulations 1981' (TUPE), employees are transferred into the new company
- 4 Employees without work may be offered incentives to transfer where they will gain access to flexible working contracts and other employment
- 5 After the process design phase and as a result of rigorous performance management, a pool of employees without work is identified. This group is supported in the search for new work through Manpower's job readiness programme. Other public and private sector employment service providers can also be engaged to create maximum opportunities to find new work
- 6 Charges to the department decrease as productivity increases and employees are managed out of the new company or onto new market-based contracts

### Our experience

PwC and Manpower together manage almost a million hours of permanent and non-permanent labour each week. We provide solutions across the employment lifecycle, ranging from vacancy management and the redeployment of individual staff to organisational redesign and change programmes.

We provide services to a number of local councils which involve managing redeployment lists, supporting internal and external mobility and helping organisations and individual line managers to overcome negative perceptions.

Private sector clients in this field include a global IT services company and a global telecommunications company.

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