

**HERTFORDSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE  
26 MARCH 2018 AT 10.00AM**

<u>Agenda Item</u> <u>No.</u> <b>5</b>
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**RISK FOCUS REPORT – Recruitment and Retention**

Report of the Director of Resources

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Executive Member: David Williams, Resources, Property & the Economy

**1. Purpose of report**

- 1.1 To provide further information regarding the risk (and associated controls) recorded on the Hertfordshire County Council Corporate Risk Register relating to risk number HR0021:

***‘If we fail to retain, attract and recruit the right people (managers, officers and volunteers) and right skills and maintain engagement at all levels, there may be a significant impact on service delivery and major cost implications’***

- 1.2 To seek endorsement to the overall approach that Hertfordshire County Council is taking to mitigate this risk (excluding volunteers).

**2. National and local Context**

- 2.1 The employment market continues to grow with the number of jobs being advertised nationally outstripping the number of individuals who are seeking work. The increased competition for workers is affecting attraction and retention.
- 2.2 Employment levels nationally remain high at 75%. In Hertfordshire, this figure is higher at 79% giving potential candidates more choice and making the employment market more competitive. Proximity to London adds an extra dimension to the employment market in Hertfordshire, with a large proportion of the working population commuting to the capital for employment.
- 2.3 The impact Brexit will have on employment remains unclear. The Chartered Institute of Personnel and Development (CIPD) have noted that the competition for well-qualified talent and unskilled labour is set to increase and predict further difficulty to recruit over the next 3 years. Human Resources (HR) worked with Adult Care Services (ACS) on the

impact of Brexit where it is felt the impact could be particularly prevalent. This work includes a review of workforce planning and responding to the NHS Facing the Facts, Shaping the Future – A Draft Health and Care Workforce Strategy for England until 2027.

### **3 Workforce and Turnover**

- 3.1 As at December 2017 the Council’s Equivalent Working Time (EWT) (excluding schools) was 6,182 (headcount 8,013). Turnover (all leavers) was 15.2%. There was no movement for this figure when compared to the previous period in 2016.
- 3.2 The Council’s turnover is comparable with benchmark data. The Chartered Institute of Personnel and Development (CIPD) report the average turnover in the UK at 16.5% (*CIPD December 2017*) while local authority comparator data is below in table 1

Table 1 – Local Authority Turnover data

<b>Authority</b>	<b>Turnover (all leavers)</b>
Surrey	16.2%
East Sussex	15.5%
Hertfordshire	15.2%
Buckinghamshire	13.7%
Essex	13.9%
Kent	12.4%

- 3.3 Turnover data is monitored monthly and reported to directorate boards. Where there are specific issues with turnover, targeted retention action plans are developed. This can include activity such as face to face exit interviews (normally these are undertaken on-line) to understand reasons for leaving and market analysis to review the Council’s competitiveness in terms of pay and reward.
- 3.4 Another indication of the Council’s healthy turnover position is its engagement index from the staff survey. The Councils’ employee engagement index is 67% against the reported UK engagement level of 58% (*Aon Hewitt 2017*).

### **4. Workforce Planning and Skills Strategy**

- 4.1 A key priority for 2018-2019 is to review the Council’s approach to Workforce Planning. In its simplest terms workforce planning is getting the right number of people with the right skills, experiences, and competencies in the right jobs at the right time. Strategic planning, budget, and human resources are key components of workforce planning. The key drivers for this are:

	Drivers	Justification/key outcome
1	Skills and succession planning	Important to develop and maintain a skills pipeline where skills shortages exist.
2	Financial and HR alignment	Imperative that HR and Finance data link and HR Business Partners are aware of the costs and pressures facing their services.

- 4.2 The Apprenticeship Levy was introduced on 6 April 2017. The Levy is charged at a rate of 0.5% of an employer's pay bill. The Levy is paid in to a 'pot' and employers drawn down from the pot to fund apprentice qualifications. This levy equates to £932,004 for non-schools Council departments. Hertfordshire County Council's vision for the levy is to optimise it to the benefit of skills and learning throughout the workforce and County; to address existing skill shortages and to be bold in the opportunities the levy brings.
- 4.3 Hertfordshire County Council is already working closely with Herts Local Enterprise Partnership (LEP) and district councils on sharing the procurement framework, and is building strong links with the Police and NHS colleagues as part of the continued development and growth of Hertfordshire Apprenticeship Alliance (HAA). Members of HAA are involved with learning providers across the county to ensure standards are aligned to the skills we require. This process has a dependency on the standards being signed off by the National Apprenticeship Service.
- 4.4 As at December 2017 111 employees are either enrolled (or in the process of enrolling) for an apprenticeship against a target of 187 for 2017/18. Further apprenticeship standards including Social Work (Adult & Children combined), rehabilitation workers and Leadership & Management qualifications are expected to come into effect during 2018. The introduction of these new Standards will further support Hertfordshire County Council's commitment to apprenticeships.

## 5. Shortage skill and hard to fill posts

- 5.1 The organisation continues to face recruitment pressures based on its close proximity to London, where salaries are higher and travel into the capital is relatively easy. Geographic area variations exist across the county where it is hard to recruit e.g. Watford and St Albans. Transport is also an important consideration for potential employees who cannot drive or do not have access to transport to get around the County. There are targeted recruitment and retention strategies in place for the shortage skills and hard to fill posts. Examples of such activity are shown below in table 2.

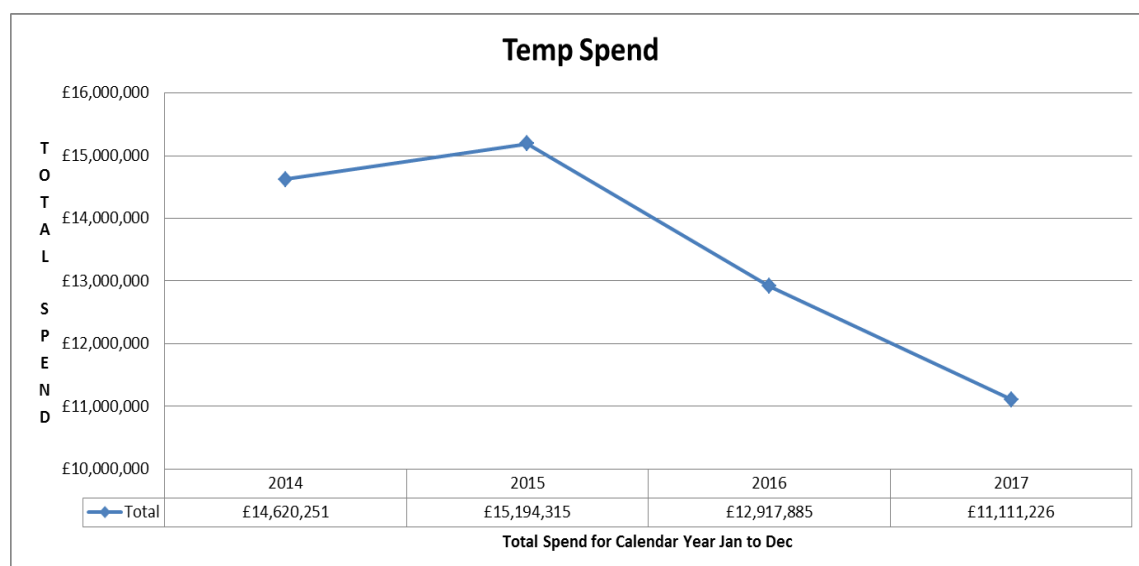
Table 2 Examples of shortage skill attraction initiatives

Dept.	Role(s)	Example Initiatives
Children's Services	Qualified social workers (QSW),	QSW specific recruitment process, exit interviews, strategic workforce plans, improved webpages, activity to convert agency workers onto permanent contracts, partnership working with universities, market forces and welcome payments, wider partnership working with other neighbouring Local Authorities. Attendance at careers events, Department for Education funded Step up to Social work and Frontline programmes.
	Educational psychologists	
Environment	Engineers, Planners	Welcome payment (Planners), career progression scheme redeveloped, focus on diversity advertising, recruitment videos and branding activity.
Adult Care Services	Driver support workers	Recruitment videos and branding activity.
	Rehabilitation officers	Welcome payment & relocation package offered to enhance remuneration package. Attendance at careers events and branding activity
	Community learning disability (CLD) nurses	Social media content for external candidates to gain better understanding of nurse role
	Homecare workforce	Recruitment videos, branding activity and open days.
	Occupational therapists social workers	Targeted recruitment campaigns, Introduction of Market Forces Payments (MFP) for Watford General Hospital roles. Attendance at careers events, professional conferences, OT Show, Community Care Conference. Targeting Universities.
Resources	Legal - childcare litigation, commercial, property	Targeted recruitment campaigns, Introduction of market forces payments
	Finance	Targeted recruitment campaigns and branding activity

- 5.2 As part of the strategy for Children’s and Adults qualified social workers a regional collaboration has been established. This sets out to manage the demand and supply of qualified social workers. Activity includes agreements on capping pay rates, measures to improve the quality of the workers through a fast track development programme specifically targeted at experienced senior practitioners and aspiring team managers.
- 5.3 As a result of this activity the number of agency Children’s social workers have decreased from 59 in December 2015 to 25 in December 2017 and agency spend has decreased from £4.5m in 2015 to £2.1m in 2017.

**6. Agency workers**

- 6.1 An important part of the Council’s resourcing strategy is the provision of temporary agency workers via a third party provider. Agency workers play an important role in helping the Council meet short to medium term recruitment requirements. Careful attention is paid to ensuring agency worker spend is at appropriate levels.
- 6.2 Spend on agency workers has decreased for 2 consecutive years. This indicates the ongoing success of the Council’s recruitment and retention activities. Spend (calendar year) in 2014 was £14.6m, 2015 £15.1m 2016 £12.9m and 2017 £11.1m.



- 6.3 The corresponding playbill was £214m (2014) £221m (2015) £230m (2016) and £233m in 2017.

**7. Volunteers**

- 7.1 Volunteers play an important role across the council. Approximately 10,000 people volunteer in a range of different capacities including school crossing patrol, school governors, libraries and archives,

countryside management, and youth work. Volunteering opportunities are promoted via the Council's web site, and approximately 100 expressions of interest are received each month.

## **8. Branding and attraction**

- 8.1 The Council invests time and effort to ensure it reaches out to diverse audiences. The Council are a disability confident employer and hold an Armed Forces Employee Recognition silver award. In 2017 Black Minority Ethnic (BME) employees represented 13.6% of the workforce, Disabled employees 6% and the 25 and under age category represented 5.5% of the workforce.
- 8.2 The authority has been recognised for its proactive work and industry leading practice receiving the following national recognition:
  - Winner – Guardian Public services Award – Family safeguarding Project 2017
  - Winner – Recruitment Marketing Awards – Best use of Video in Recruitment 2016.
  - Winner – CIPD Employee engagement Award 2016
  - Glass door – Top 5 Local government employer 2016
  - Finalist – CIPD Best in-House recruitment team 2015-16
- 8.3 The success of the Council's branding and attraction activity is illustrated by its applicant and web site data. During the calendar year Jan 2016-Dec 2017, 1,281 external appointments were made.
- 8.4 The average number of applications per vacancy was 25, and excluding positions that are constantly being advertised / recruited to (e.g. social workers) only 6% of vacancies had to be re-advertised as a result of failing to appoint.
- 8.5 The Council's careers pages play a vital role in attracting candidates and creating a strong and positive employment brand. The website receives 70,000 visits per month.
- 8.6 The Council is at the forefront of Social and digital media activity. LinkedIn (9,500 followers), Facebook (7,000 followers) and Twitter (12,500 followers) play an active role in recruitment.
- 8.7 The Council also has a programme of attendance at jobs fairs and recruitment events. Regular attendance at local and national careers fairs helps the organisation promote its brand and current vacancies.
- 8.8 The above activity creates a positive employer brand which mitigates the risk of not being able to attract job applicants. This has been achieved alongside a 14.1% reduction in the recruitment advertising budget.

8.9 The Council has sought to be an employee of choice by regularly reviewing the total reward offer.

**9. Recommendation/s**

9.1 The Audit Committee is invited to note and comment on the information provided within this report.

9.2 Based on the findings outlined in this report it is recommended the risk score is downgraded from 32 to 24 - (Impact: High (8), likelihood – Possible (3))