

RECRUITMENT AND RETENTION RISKS

Corporate Governance Committee 13th May 2022

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Agenda Item 7

TUC survey during 2021:

Front line staff pay down £1500 in real terms over last decade

1 in 5 key workers considering leaving job – low pay, excessive workloads, lack of recognition

Of those, 57% feel undervalued, 43% concerned re low pay

H&SC – of the 1 in 5, 40% considering leaving because of excessive workloads

Brexit:

A number of unintended consequences. Government immigration / migration policy & restrictions biting (e.g. 3 month visas, focus on skilled foreign workers). Severe shortages in many sectors. Significant numbers of vacancies across a range of sectors.

General:

Sharp rises in cost of living as well as wages in some sectors. National living wage increased from £8.91 to £9.50 (April 2022) with further increases planned.

LG national pay – 1.75% settlement for 2021/22, no clarity regarding the 2022/23 claim / negotiations, set against 7% inflation (CPI – March 2022) and predicted to rise further, with spiralling living costs and interest rate increases.

All leads to pressure to earn more / cover costs, and to leave roles where there are major shortages / excessive workloads. Recruitment and retention in sharper focus than ever – nationally and locally. Agency costs spiralling – hourly rates for some key posts (e.g. qualified social workers) have increased

Longer term – falling birth rates in the UK, which will have further economic impact

If recruitment difficulties continue to escalate, then we may not be able to continue to deliver our key statutory and non statutory services at current levels and quality

Reputational risk - loss of reputation and public confidence

Financial risk regarding increased employee costs

Impact on staff wellbeing for those seeking to maintain delivery of services where there is insufficient resource and/or levels of experience

Destabilised workforce with an increase in the rate of turnover – further impact on service delivery

Agility of the council to make the necessary changes required to our R&R offer – currently working at pace – may require more investment

Workforce costs

Date Period	2017-2018	2018-2019	2019 - 2020	2020 - 2021
LCC's total salary costs (inc on costs)	£169,178,094	£177,582,619	£192,825,672	£190,815,091
Market Premia payments (inc on costs)	£56,534	£692,138	£999,290	£1,328,412
* Agency costs	£12,963,929	£12,550,294	£13,464,539	£12,917,974
Total	£182,198,558	£190,825,051	£207,289,501	£205,061,478

* Nb it's recognised that much (but not all) agency spend is in lieu of salary spend

No. of employees in receipt of market premia / retention incentives

Financial Year	Adult & Communities	Chief Executive's	Children & Family Services	Corporate Resources	Environment & Transport	Public Health	LCC Total
2018-2019	3	0	162	0	70	0	235
2019-2020	33	0	177	2	81	0	293
2020-2021	91	3	218	2	83	0	397

For 2021/22 and beyond, we are seeking to provide additional reports on various elements within the system, but numbers of payments are increasing.

- Social Work (ASC and C&FS)
- Planning
- Highways and Transport roles
- Engineering
- HGV Licence holder roles
- Waste site operatives

Nb some individual retention payments also being made

Employee turnover

Financial Year	Adult & Communities	Chief Executives	Children & Family Services	Corporate Resources	Environment & Transport	Public Health	LCC Total
2018-2019	13.87%	10.88%	13.62%	14.14%	9.26%	20.41%	13.15%
2019-2020	12.96%	12.34%	11.56%	13.10%	9.40%	13.39%	12.16%
2020-2021	12.40%	8.28%	8.50%	11.70%	7.65%	12.16%	10.40%

LCC total turnover for Q1 & Q2 of 2021-2022 = 6.76%

What our staff are telling us

Staff Survey 2021

Highest scoring

- 94.5% said the council is a good employer
- 92.8% said they believe the council is committed to equality and diversity
- 91.9% believed their manager supports flexible working

Lowest scoring

- 68.2% said they felt safe to speak up and challenge the way things were done
- 64.8% said they felt that change is well managed in the Council
- 58.5% said stress at work does not affect their job performance

What our staff are telling us - continued

Changes since 2019 Staff Survey

- I feel change is well managed in the council (+6.9 % points)
- I am satisfied with the opportunities for flexible working (+6.8 % points)
- I feel that change is well communicated (+6.7 % points)
- I feel the council values its staff (+3.7 % points)
- Stress at work does not affect my job performance (-4.4 % points)

Impact of Ways of Working Programme

Ensure that we drive out and optimise a range of benefits e.g.

- Ability to attract from wider pool (geographically)
- Work life balance / less commuting
- The right technology enabling effective working
- A tool to aid wellbeing
- Increased levels of productivity
- LCC marketable as a modern, progressive, inclusive employer
- Increased employee engagement
- Contributes to the reduction of sickness absence

People Strategy – some key actions to date

- Introduction of an Incentives Policy – (revised approach to Market Premia and the introduction of retention payments)
- Investment in Recruitment and Retention – new website, recruitment fairs, specialised campaigns
- Smarter and flexible working arrangements – including support with IT skills training
- Social Work degree apprenticeship programme and a wider offer of apprenticeships in general
- Career graded schemes
- Enhanced health and wellbeing offer
- New Employee Benefits scheme and Car Lease scheme

Recruitment expertise

Additional recruitment support for departments with hard to fill or high-profile vacancies, to attract and recruit good candidates. Support includes designing and running recruitment campaigns, designing job advertisements, providing advice on advertising and placing on social media. Where required, support with shortlisting and design of interview processes.

To support the above the creation of a central recruitment hub which as well as the above would include the management of the recruitment portal, and assistance with pre-employment checks.

Proposals subject to business case

- Improved approach to the recruitment process – via centralised recruitment hub.
- Additional market premia and retention payments
- An incentivised apprenticeship scheme for hard to recruit to posts
- Working through pay and grading differentials, taking into account national pay increase proposals and NLW increases

Additional areas of focus

- Bespoke programmes for supervisors within departments
- Aspiring Managers programme
- Workforce and succession planning
- Apprenticeship Levy – more apprenticeships can be introduced and supported financially
- Increase productivity and efficiency (links to Ways of Working programme).
- Revisit the Reed contract regarding market demands
- Longer term – strategic partnerships with universities and FE colleges
- Review of incentives policy