

STAFF RECRUITMENT AND RETENTION

LEAD MEMBER: Councillor Peter Connolly
REPORT AUTHOR: Neil White, Scrutiny Officer

Recommendation: that the Task and Finish Group found that the Council was not fully following its own Recruitment and Selection Handbook and Personnel Panel is requested to consider the following recommendations and recommend to Council (via the Executive where appropriate) that:

(A) in respect of the Handbook:

- (1) The advertising policy of the council that all jobs should be advertised internally as well as externally at the same time should be supported and continued,**
- (2) The Council's Relocation Scheme should be reviewed to bring it up to date,**
- (3) The amount that is paid to cover the cost of bed and breakfast be reviewed against the other Cumbrian authorities by Human Resources and Procurement and the results of this review along with the projected costs of making Copeland competitive be submitted to the Personnel Panel,**

(B) the following processes be implemented, as a matter of urgency, to ensure that greater control is available over Human Resources Issues:

- (1) The Human Resources Department develop a local performance indicator and regularly report to the Executive and the Personnel Panel to clearly document the real cost of turnover to the authority and that this is used as a benchmark to reduce costs,**

The indicator should measure three separate aspects being the cost of advertising; the cost of management work and the cost of any ancillary work.

- (2) Personnel Panel be kept informed of the progress of filling the permanent posts in any areas,**

- (3) Vacant posts which have not been filled within 6 months of the first advertisement be reported to Personnel Panel with a recommendation of how to remedy the recruitment problem,**
 - (4) The funding for the graduate scheme that was part of the regeneration restructuring be resolved as soon as possible with the funding available by the end of November 2008 at the latest so that this scheme can be started,**
 - (5) Greater control of the costs of temporary and agency staff is needed and Corporate Team is requested to address this as a matter of urgency,**
 - (6) A procedure to ensure greater control of these costs through Human Resources be implemented so that a report can be regularly submitted to the Executive and Personnel Panel on the costs to the council of employing agency and temporary staff,**
 - (7) The Chief Executive submit a quarterly report to Personnel Panel and the Executive on the outcomes from the Staff Survey Action Plan to show the effects of these on Staff morale,**
- (C) Resources be made available over the longer term to ensure a number of improvements to Human Resources that should include that:**
- (1) Managers become more aware of the need to develop their own staff for example through a succession planning policy, and that opportunities for employee development at all levels are actively pursued,**
 - (2) Human Resources investigates means by which Copeland could be better promoted in the council's job advertisements including the whole package for staff benefits and a report on the costs of doing so be submitted to a future meeting of the Personnel Panel and the Executive,**
 - (3) The Council consider the use of a talent pool or leadership academy as at other authorities to ensure that the council grows its own talent, and**
 - (4) Human Resources identify new initiatives that would enhance the ability of the authority to attract and keep experienced and skilled staff with a report on the costs of doing so being submitted to Personnel Panel.**

1. BACKGROUND

The Committee will recall that it agreed to establish a new task and finish group to look into Staff Recruitment and Retention.

The membership of the task and finish group was: Councillors P Connolly, Mrs Y R T Clarkson, K Hitchen and J Kane.

The Task and Finish has met on three times and heard evidence from:

Len Gleed (Human Resources Manager),
Hilary Mitchell (Head of Policy and Performance),
Alan Southward (Unison),
Mrs M Jewell (GMB),
Liam Murphy (Chief Executive),
Fergus McMorow (Corporate Director Economic Prosperity and Sustainability).

The Group would like to thank the witnesses for giving up their time to give evidence. However it was concerned that some witnesses seemed to come to their sessions without proper preparation.

The Group would expect that witnesses, particularly senior officers of the council would in future come better prepared.

It also considered written evidence. This included:

- (A) Directorate Review: Economic Prosperity and Sustainability Report to Personnel Panel 20 12 07
- (B) Letter to staff from Chief Executive with results of staff attitude survey and proposed action plan 14 12 07
- (C) Questionnaire and results from Scrutiny exercise in November 2004 to candidates who had requested the Council's application pack
- (D) Copeland's Market Supplement Policy
- (E) Copeland's Recruitment and Selection Handbook
- (F) National Local Government Pay and Workforce Strategy – http://www.nweo.org.uk/pay_and_workforce/
- (G) IDEA Recruitment and Retention - <http://www.idea.gov.uk/idk/core/page.do?pagelid=5222758>

- (H) IDEA Promoting local government toolkit - <http://www.idea.gov.uk/idk/core/page.do?pagelId=6103569>
- (I) Local Government Pay and Workforce Strategy Survey 2006 (very stats based) - <http://lgar.local.gov.uk/lgv/core/page.do?pagelId=24761>
- (J) Audit Commission report: Recruitment and Retention
A Public Service Workforce for the 21st Century
<http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=&ProdID=8C72A180-D241-11d6-B1BB-0060085F8572>
- (K) A sample of the Council's Recruitment Information Pack
- (L) A sample of the Council's Training Request and Evaluation Forms
- (M) Investors in People Assessment of Copeland Borough Council
(Confidential)

2. Levels of Turnover

In order to ascertain whether steps were needed to be taken to reduce turnover the current level of staff turnover had to be sought. Information was given to the committee during the course of its review which showed a variable turnover rate.

Copeland's turnover rate of staff in 2007 for all Full Time and Part Time Staff (excluding dismissals, redundancy and temporary staff) was 11.2%. Across the rest of Cumbria the rates were:

- Cumbria County Council – 11%
- South Lakeland – 10%
- Carlisle – 7%
- Barrow – 12%
- Allerdale – 17%

So far in this year the turnover rate in Copeland was 13%.

3. Reasons for Turnover

"For people who lead and manage staff in any sector understanding the factors that combine to create a negative work experience – and so tip the balance in favour of people leaving – is vital"

Audit Commission, Recruitment and Retention Report, 2002

In 2007/08 there had been 86 members of staff who had left. Of those 33 had been with the council less than a year however 31 had been on temporary contracts.

A further 18 had been with the council for between 1 and 2 years. Of these 8 had been temporary or fixed term (including dismissals). The remaining 10 had left for a variety of reasons and there did not seem to be a strong theme why people had left the council.

Information from exit interviews of those members of staff who had been at the council for more than 2 years showed that two issues were key in why they had left the authority. These were pay and career development.

The Group welcomed the council's current job evaluation process and the moves towards Single Status Pay. It is hoped that this would help to address the issue of pay as a factor in recruitment and retention but the results of exit interviews was that it was only part of the answer.

The Group felt that career development and lack of opportunity were critical reasons for leaving the council and one way to address this would be for managers to be more active in developing their own staff. An overt commitment to the development of an individual if delivered could encourage retention and commitment.

Managers become more aware of the need to develop their own staff for example through a succession planning policy, and that opportunities for employee development at all levels are actively pursued.

4. Cost of Turnover

The Group was informed that the actual annual cost of turnover to the council was not available. It was variable per post from £2,000 to £300 according to the position being recruited to, how long it takes to recruit to the position, the level of post and if it is a professional position. The cost of recruiting to a professional post can also be higher owing to factors such as advertising in professional journals or using external recruitment agencies.

This did not include the hidden costs such as management time which nationally had been suggested as being £5,000 per new hire.

Information on the turnover rate per department was not available from Human Resources.

The Committee was concerned at the high cost of turnover and that it was not being properly monitored or assessed by the council. Better control of this

could be made to achieve savings and would give greater focus to reducing the level of turnover.

Failure to monitor labour turnover may result in a situation whereby there are insufficient human resources of the required calibre/skill level to achieve efficient delivery of Council services.

The Human Resources Department develop a local performance indicator and regularly report to the Executive and the Personnel Panel to clearly document the real cost of turnover to the authority and that this is used as a benchmark to reduce costs,

The indicator should measure three separate aspects being the cost of advertising; the cost of management work and the cost of any ancillary work.

5. Problems in Recruitment

The Group received evidence that the following posts had been advertised more than once in the last year:

1. Gardener/Arborist	Jan 07, Mar 07, Jan 08
2. Tractor Driver/Labourer	Feb 07, Feb08
3. Regeneration Technical Officer	Feb 07, Jan 08
4. Finance Admin Support Asst	March 07, July 07
5. Assessment & Accounts Officer	March 07, Aug 08
6. Env. Cleansing Operatives	May 07, Jan 08
7. Trainee Horticultural/Arborist	June 07, Feb 08
8. Customer Services Officer	May 07, March 08
9. Communications Officer	July 07, Jan 08, Mar 08
10. Planning Policy Officer	July 07, Aug 07, Nov 07
11. Admin Support Asst (Dem. Serv.)	Sept 07, March 08
12. Admin Support Asst (Housing)	Sept 07, Oct 07
13. Housing Renewal Manager	Nov 07, Feb 08
14. Surveyor/Contracts Officer	Dec 07, Jan 08
15. Health & Safety Officer	

The following posts have been unfilled for 6 months or more:

1. Health & Safety Officer
2. Housing Renewal Manager
3. Head of Finance & Business Development
4. Accountancy Services Manager
5. Accountant
6. Revenues & Benefits Manager
7. Customer Services Team Leader

8. Community Safety Officer
9. Building Control Team Leader
10. Housing Renewal Technical Officer
11. Development Control Officer
12. Planning Policy Officer
13. Trainee Building Control Surveyor

The Group felt that it was unacceptable that so many key posts were vacant for so long particularly in regeneration which was the council's top priority. The Council had lost important regeneration funding due to this.

The Group noted that the restructuring of this department had been aimed at strengthening the Council's ability to deliver the department's services. It was vital that the vacant permanent posts in regeneration are filled as soon as possible to ensure that the momentum from these changes is delivered into real change.

The Group further felt that early action should have been taken to remedy this situation and procedures should be put in place to stop similar circumstances happening in the future.

Personnel Panel be kept regularly informed on the progress of filling the permanent posts in any areas.

Vacant posts which have not been filled within 6 months of the first advertisement be reported to Personnel Panel with a recommendation of how to remedy the recruitment problem.

6. Attracting Candidates

The Group noted that the Council's recruitment pack included a welcome letter from the Leader, Chief Executive or Head of Service, a job profile, general description of the role, background information and information help for candidates.

The recruitment process was started by the relevant manager revisiting the job profile and amending it as appropriate and then discussing with Human Resources the required process.

The Council's policy for advertising posts was to consider suitably qualified internal applicants before placing adverts externally. Human resources consulted with union representatives before any post is advertised internally as well as externally.

The group looked at the pros and cons of this policy and felt that the policy that posts may be advertised internally first should continue to be supported. This encouraged existing staff to apply for posts and along with suitable

career progression would address some of the feedback from the staff attitude survey. It was important that opportunities for career progression existed and that staff felt that the council did not always want external people appointed over internal candidates.

It is important to point out that salary is only one element of the total remuneration package and as a local authority we continue to offer training, flexible working hours, superannuation, and are continuously reviewing and introducing policies which enable employees to achieve a good work life balance such as flexible working/home working.

The Group felt that the development of the Council's Work Life Balance Policies would be a key selling point to potential and existing staff.

The council's current job advertisements did not promote Copeland well and were in some cases "lack lustre". It was noted that there could be significant costs to improving the advertisements and in light of this Human Resources should investigate the best means of making the advertisements more attractive to potential candidates.

The Group wanted the adverts to focus on developing a positive image of the Council and are keen for advertising to focus particularly on the benefits of working for the Council such as the Work Life Balance Policy (WLB), the pension scheme, etc.

The Group noted and welcomed the council's work on e-recruitment with other Cumbrian authorities through a portal for Cumbrian jobs as it may attract new candidates to the Council.

It was hoped that e-recruitment would help the Recruitment of Young People and to this end the graduate recruitment schemes should be commenced as soon as possible. The Group suggests there needs to be a clear process put in place for this type of initiative that best develops the graduate and enables them to want to remain with the council.

It was noted that there was uncertainty in relation to the funding for the graduate scheme that was part of the regeneration restructuring and the group would want this issue to be resolved as soon as possible.

The advertising policy of the council that all jobs should be advertised internally as well as externally at the same time should be supported and continued.

Human Resources investigates means by which Copeland could be better promoted in the council's job advertisements including the whole

package for staff benefits and a report on the costs of doing so be submitted to a future meeting of the Personnel Panel and the Executive.

The funding for the graduate scheme that was part of the regeneration restructuring be resolved as soon as possible so that this scheme can be started.

7. The Recruitment and Retention Policy

The Group considered the Council's Recruitment and Retention Policy.

In particular the relocation scheme was seen as critical as it enabled new members of staff to properly relocate to Copeland and a good up to date scheme would help to promote Copeland as a good employer and encourage potential applicants to apply for posts.

The Group noted that the scheme had last been updated in March 2004 and would expect the terms of conditions to be reviewed annually. The current payment of £10 per night as contribution towards bed and breakfast costs or rented accommodation would be nowhere near the full cost of this accommodation. This needed reviewing urgently to bring it more up to date.

The Council's Relocation Scheme should be reviewed to bring it up to date.

The amount that is paid to cover the cost of bed and breakfast be reviewed against the other Cumbrian authorities by Human Resources and Procurement and the results of this review along with the projected costs of making Copeland competitive be submitted to the Personnel Panel.

8. Workforce Planning

The Group was concerned at the costs of agency and temporary staff in the last financial year and whether it was being properly managed. It became clear that Human Resources were not able to provide these costs and the Group was told that it was dealt with by departments under their own budgets.

The Group asked that these costs be drawn up but as there was a Freedom of Information request seeking the same information this was used to receive this information. The first set of responses from departmental managers showed confusion amongst officers as to who was responsible for these costs and it seemed that there is no separate coding in accountancy for temporary/agency staff.

The information that was obtained showed £26,317 spent on two Regeneration posts and per day rate for a development control officer on a consultancy basis. Clearly this information is less than complete.

The Group is concerned at the use of agency staff. It is an inefficient use of resources, more damaging long term and more expensive than appointing permanent members of staff.

Greater control of the costs of temporary and agency staff was needed and this could be achieved through a central point approving and controlling the use of agency staff.

As part of this a procedure should be introduced that highlighted the appointment of temporary staff. This should include informing Accountancy so that a separate budget could be set up so that the overall costs of agency and temporary staff could be monitored by the Executive.

Human Resources should also be similarly informed in case there were Human Resources issues that the temporary/agency staff needed to be made aware.

Greater control of the costs of temporary and agency staff is needed and Corporate Team is requested to address this as a matter of urgency.

A procedure to ensure greater control of these costs through Human Resources be implemented so that a report can be regularly submitted to the Executive and Personnel Panel on the costs to the council of employing agency and temporary staff.

9. Succession Planning

The Group identified that as part of workforce planning the council should develop a succession planning policy. It was concerned that the Council did not have one at the moment. The absence of a formal strategy means the council's plans are not clear and progress cannot be monitored or managed.

The Employer's organisation for Local Government held a succession planning summit in 2005. The key note speaker, Dr Wendy Hirsh, Associate Fellow of the Institute of Employment Studies and author of "Succession Planning Demystified" stated that succession planning is a process of "identifying some people who might be going somewhere and deciding who is long term and who is short term," to identify and develop pools of talent. This process enables organisations to fill posts quicker as it provides a wider internal talent list. Nurturing and developing talent is not solely based on

training and skill development but also developing experience. This supports the need for the council to develop a talent pool or leadership academy.

There are enormous benefits for the Council in growing its own staff in improving morale, improving retention and the savings that follow from that.

The Council consider the use of a talent pool or leadership academy as at other authorities to ensure that the council grows its own talent.

10. Take up of Employee Benefits

The Group heard evidence that there were a variety of benefits on offer to employees although it was acknowledged that the take-up of these benefits could be higher which may improve recruitment and retention.

Some of the benefits had only been available for a short time and then withdrawn and had not been advertised particularly well. The benefits should be actively promoted to all staff not just to new starters.

The Group was advised that the other Cumbrian authorities had very few additional benefits that Copeland didn't although other authorities were looking at leave purchase schemes.

Other councils nationally had introduced more innovative benefits such as career breaks. Whilst these were largely from bigger Councils than Copeland introduction of some of these may address the recruitment problems across Cumbria.

This could also involve the development of the flexi time scheme to include more Work Life Balance policies such as a nine day fortnight and home working, increased opportunities for learning and development or an external organisation for staff to talk confidentially about work problems.

Human Resources identify new initiatives that would enhance the ability of the authority to attract and keep experienced and skilled staff with a report on the costs of doing so being submitted to Personnel Panel.

11. Organisational Culture.

The Group has identified a number of issues which relate to the culture of the organisation and how it affects retention. This is highlighted as a key issue in the staff attitude survey and was made crystal clear throughout all the evidence.

The Audit Commission research has shown that the management style and attitude of front-line managers are crucial in creating a productive work environment for staff.

The Chief Executive is thanked for his attempts to improve communication by sending fortnightly briefing emails to staff to update them on emerging issues and through the staff road shows to outline plans for the future.

However it has taken too long to respond to the Staff Attitude Survey and the group would want to see tangible improvements in staff morale. A more proactive communication style from corporate team would be welcomed. For example a regular walk round the departments by the Chief Executive would enable engagement with all staff and enable ideas to flow to the top without any blockages.

The Group welcomed the initiative by the Chief Executive to ensure that managers spent 40% of their time managing their staff. Further work was needed on management training and leadership.

One way of achieving this would be for newly appointed front-line managers to have access to a mentor for their first year with guaranteed sessions. They should be offered 'people' and 'performance' skills training of at least 5 days in their first six months in post.

The issue of trust was raised several times. There seems to be a lack of trust between management and staff. It is worth pointing out that all Members should bear in mind that the staff see them as part of management

The Group felt that there was an urgent need to change the culture of the authority and would encourage the Chief Executive to continue working on this as a matter of priority.

The Chief Executive regularly report to Personnel Panel and the Executive on the outcomes from the Staff Survey Action Plan to show the effects of these on Staff morale.

12. Clarity about the Council's Direction

It became clear from the evidence that members of staff were more committed to the authority if they could "buy in" to the priorities and direction of the council and could clearly see how their post fitted into those.

The Group felt that there was much work needed to be done so that the staff felt a part of the council's new 6 priorities particularly as some of the priorities are largely outside of the council's control. This would require more leadership from members at a strategic policy level.

It would also require greater communication from corporate team and managers and the streamlining of the Council's Corporate Plan and Service Plans to clearly identify the linkage to the council's priorities.

13. Resources

The Task and Finish Group is mindful that at a small District Council there are limited resources for dealing with Human Resources. The Council currently only employs two full Human Resources members of staff.

However it was noted that Human Resources can "buy in" appropriate packages to undertake specific projects and there was some budgetary funding available for this.

Workforce and succession planning are key to managing human resources effectively and monitoring and evaluation systems need to be improved in order to plan for staff shortages. The Group was alarmed at the lack of information available from Human Resources on core areas of their work and wants to see much more Human Resources information being regularly reported to the Executive.

Part of this may also be due to the fact that Human Resources is not given a higher enough profile in the council and as such finds it difficult to help in changing the culture of the authority and drive through improvements in policies. This is reflected in the corporate plan where Human Resources issues are not covered sufficiently.

The Group was acutely aware of Local Government Pay and Workforce Strategy 2005 which states that:

"local authorities need the right people, working in the right way and within the right culture."

For Copeland to succeed its staff recruitment and retention needs to be of the highest priority. Staff turnover has a direct affect on the efficiency of service delivery due to the direct cost of recruitment and administration and also the hidden cost of time taken to train new staff in the systems and procedures at the Authority.

An increase in turnover across the Authority also provides an indication of potential issues which can be addressed in order that the issue does not have a further detrimental effect on service delivery.

The Audit Commission research on public sector recruitment and retention in general echoes the issues raised by the Task and Finish Group.

They report that most public sector staff leave because of ‘push’ rather than ‘pull’ factors, i.e. most people are dissatisfied with their current jobs and working environment and leave because of these reasons rather than being ‘pulled’ to another post.

One of the key findings of their research is that:

“although there is a complex interaction of economic, demographic, social and political factors which impact on the demand for, and supply of, public sector staff, many solutions can be delivered at a local level, via improving management of human resources and improving leadership”.

14. CORPORATE PLAN

There are a number of applicable actions in the Corporate Plan. These are:

Action	Outcomes (measurable)	Target date
Survey staff satisfaction and awareness of the Council’s direction; develop and implement improvement plans.	Improvement in staff satisfaction and awareness of Council priorities at each survey	2008 and 2011
Adopt and cascade communication strategies for corporate improvements, including communications tools for staff, members and stakeholders.	Employees and stakeholders recognise corporate messages, measured through periodic surveys.	2007 and after each survey
Develop measures in the Corporate Plan for issues that Copeland can only influence (i.e. in the Cumbria Agreement (the local area agreement) and Strategy for Sustainable Communities in West Cumbria).	Improvements achieved in areas that Copeland can only influence will be communicated through an annual report.	Annually from 2008
Appoint an internal ‘Champion’ for learning.	Greater focus to learning and the Council’s role. Better represent community interests. Better liaison and representation with delivery agencies.	2007
Create annual officers	Training programmes completed and	Annual

training and development plan to meet corporate objectives.	qualifications achieved.	
Implement Pay and Workforce Strategy to meet business and staff needs.	Pay and job evaluation complete; development and succession plans in place; reduction in hard-to-fill posts seen. Appropriate health and safety procedures and practices in place. Holistic people development approaches included in Council priorities.	2008
Implement effective performance management system for all staff.	Staff will have objectives linked to the corporate plan and will be monitored against them.	2008

15. CONCLUSION

The Committee is invited to consider the recommendations of the Staff Recruitment and Retention Task and Finish Group at the head of this report.

List of Appendices:

None

List of Background Documents:

None

(A) Recruitment and Selection Handbook	
RECOMMENDATIONS	SERVICE OFFICER COMMENTS (including any resource and legal implications)
(1) The advertising policy of the council that all jobs should be advertised internally as well as externally at the same time should be supported and continued	
(2) The Council's Relocation Scheme should be reviewed to bring it up to date	
(3) The amount that is paid to cover the cost of bed and breakfast be reviewed against the other Cumbrian authorities by Human Resources and Procurement and the results of this review along with the projected costs of making Copeland competitive be submitted to the Personnel Panel	
(B) Greater control over Human Resources Issues	
RECOMMENDATIONS	SERVICE OFFICER COMMENTS (including any resource and legal implications)
(1) The Human Resources Department develop a local performance indicator and regularly report to the Executive and the Personnel Panel to clearly document the real cost of turnover to the authority and that this is used as a benchmark to reduce costs, The indicator should measure three separate aspects being the cost of advertising; the cost of management work and the cost of any ancillary work.	
(2) Personnel Panel be kept informed of the progress of filling	

the permanent posts in any areas	
(3) Vacant posts which have not been filled within 6 months of the first advertisement be reported to Personnel Panel with a recommendation of how to remedy the recruitment problem	
(4) The funding for the graduate scheme that was part of the regeneration restructuring be resolved as soon as possible so that this scheme can be started	
(5) Greater control of the costs of temporary and agency staff is needed and Corporate Team is requested to address this as a matter of urgency	
(6) A procedure to ensure greater control of these costs through Human Resources be implemented so that a report can be regularly submitted to the Executive and Personnel Panel on the costs to the council of employing agency and temporary staff	
(7) The Chief Executive regularly report to Personnel Panel and the Executive on the outcomes from the Staff Survey Action Plan to show the effects of these on Staff morale	
(C) Longer term improvements to Human Resources	
(1) Managers become more aware of the need to develop their own staff for example through a succession planning policy, and that opportunities for employee development at all levels are actively pursued	

<p>(2) Human Resources investigates means by which Copeland could be better promoted in the council's job advertisements including the whole package for staff benefits and a report on the costs of doing so be submitted to a future meeting of the Personnel Panel and the Executive</p>	
<p>(3) The Council consider the use of a talent pool or leadership academy as at other authorities to ensure that the council grows its own talent</p>	
<p>(4) Human Resources identify new initiatives that would enhance the ability of the authority to attract and keep experienced and skilled staff with a report on the costs of doing so being submitted to Personnel Panel</p>	