

**HERTFORDSHIRE COUNTY COUNCIL
RESOURCES, PROSPERITY, PARTNERSHIP AND
CONSULTATION SELECT COMMITTEE
1 NOVEMBER AT 10.30 A.M.**

Agenda Item
No.

6

RECRUITMENT AND RETENTION UPDATE

Report of Corporate Services Director (People and Property)

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Executive Member- David Beatty

1. Purpose of the report

To provide an update on the Council's performance in recruiting and retaining staff together with an outline of the actions planned to make improvements.

2. Summary

- Staff turnover has reduced and is now running at 17.8% (compared to 19.3% in year to December 2000).
- Service departments are continuing to experience difficulties in recruiting and retaining staff - in particular social workers and teachers.
- The action plan commended by this committee in March 2001 has been progressed. This focuses on improving management information; improving recruitment practice and introducing measure to improve retention
- Key activities include:
 - targeting
 - implementation of the Recruitment Centre
 - providing access to affordable housing.
 - reviewing the employment package
- One member panel is being established to look at Recruitment and Retention for the Resources and Prosperity, Adult Care Services and Children, Schools and Families Committees. This will sit outside the Best Value Process.
- Recruitment and Retention will be a focus of the Best Value Review of People and Employment that will report in March 2002

3. Issues for Discussion

Given the current position regarding the recruitment and retention of staff members are asked to consider:

- whether the proposed activities are appropriately targeted
- whether further action is required.

1. Background

At the March 2001 meeting of the select committee a report was presented on recruitment and retention. It was subsequently agreed that the decision to establish a member panel to consider this issue should not be implemented as recruitment and retention issues were to be a key focus of member panel under the Best Value Review of People and Employment. This began in September 2001 and will report in March 2002 with recommendations for change. However following further discussions amongst members it has now been agreed that one member panel will be established to consider recruitment and retention issues for the Resources, Adult Care Services and Children, Schools and Families select committees. This will sit outside the best value process. In the meantime work is being progressed across all services to improve the council's performance on recruitment and retention.

2. The Current Position

2.1 Numbers Employed

The County Council currently employs 24,360 (headcount) staff broken down across the key employment groups as follows:

APT&C	10248
Teachers	7565
Uniformed	970
Manual	6460
Others	809

2.2 Employee Turnover - General

Based on figures for the year ending 30th June 2001 total employee turnover for all leavers stands at 17.8 % a reduction on the previously reported figure of 19.3% in the year to December 2000. This compares with turnover across the public sector of 15.5% and turnover for all organisations of 13.7%.

The County Council is in the process of changing the method for calculating turnover to bring it into line with the Best Value Performance Indicator requirements (BVPI). The BVPI calculation is based on voluntary leavers only and includes employees on temporary contracts for longer than a year. Until this new information has been collected for a year however it will not be possible to show how turnover levels have changed and data will be presented using both turnover calculations until then. Using this calculation turnover is at the lower level of 16.7%. This new formula will be used as the basis for presenting turnover data in future and will enable more accurate comparisons to be made with other local authorities. The median turnover figure for all County Council's is 11.8%. However south-eastern counties experience significantly higher levels (East Sussex 14.2%, Surrey 18.5% Hants 12-13%)

Some turnover is beneficial and counters stagnation. Turnover in the region of 10%-12% is normally considered to be healthy. However the level of turnover the County Council is currently experience is costly and is producing high vacancy levels. Current estimates

fix the cost of filling a secretarial vacancy at £2,000 and a professional vacancy at £5,000.

2.3 Turnover – Key Employment Groups

Comparative figures for the key employment groups and based on rolling years are given at Appendix 1.

APT&C turnover is slightly higher at 12.5% (11.6% BVPI calculation). The September 2000 and December 2000 figures were artificially high as a result of the Home Care and EPH staff transfers.

Appendix 2 shows turnover within the grade groups for APT&C staff. This shows slight variations in turnover at all levels. Social workers fall within the groups experiencing greatest problems.

Teacher turnover is now at 14.7% (BVPI calculation) and highlights continuing problems with recruitment and retention. This reflects national teacher shortages that are experienced more keenly in the south-east where the high cost of housing is a particular problem.

Uniformed staff turnover is relatively low at 7.2% (BVPI calculation) although high housing costs are also an increasing factor in turnover.

Manual worker turnover has risen to 29.8% (BVPI calculation). This is principally shire catering staff and remains very high despite the introduction of a number of initiatives to recruit and retain staff

2.4 Stability of the Workforce

40% of the workforce has less than 3 years service and 17% have less than 1 years service. (Compared with 40% and 25% six months ago)

50% of leavers have less than 3 years service and 13% have less than one years service. (Compared with 50% and 25% six months ago)

These figures show a considerable improvement in the retention of new starters but it is too early to determine whether this is being sustained.

Appendix 3

2.5 Reasons for Leaving

At the March 2001 Committee officers were asked to carry out face to face interviews with all leavers in place of the postal survey. All departments had put arrangements into place by July with the exception of:

- Shire Catering where turnover is very high and notice periods so short that this is proving unmanageable
- and

- Schools where this cannot be imposed, Nevertheless the postal survey process has been improved to capture information during notice periods and response rates have risen.

Interviews are not yet carried out with all staff though the levels are increasing and the postal survey continues to pick up any leavers who have not had a face to face meeting.

The results of the survey for the period July to September 2001 show the following reasons for leaving for all staff except teachers. This is based on a 28% return rate:

Career Development	28%
The Work	22%
Management/Organisation	16%
Pay and Conditions	15%
Other	10%
Personal	8%
Training	1%

2.6 Recruitment Advertising

Against a background of increasing turnover the levels and costs of recruitment advertising are also rising. Total advertising costs have risen from £1.4m to £2.1m in the year to August 31st 2001. There has been a 19.9% increase in the volume and 55.9% increase in spend for advertisements placed by schools in the year to August 2001 and a 3.5% increase in the volume and 44.1% increase in spend for of non schools advertising during that period.

23% of all advertisement placed fail to result in an appointment and there low numbers of applications received and applicants short-listed for interview continue to be a problem Appendix 4.

2.7 Vacancies

Departmental vacancy data is now requested on a monthly basis. The current position is given at Appendix 5

The following are areas of particular concern:

- ACS
 - 17% vacancy levels EPD teams
 - 15% vacancy levels Mental Health
 - 10% vacancy levels Learning Disability
 - 14% vacancy levels Residential Care
 - 17% vacancy levels Day Care

These headline figures are averages and mask significant variations across establishments with some experiencing vacancies of up to 35% and others considerably less.

CSF – non-schools:

Residential Social Workers		16% Vacancies
Social Workers	- East	22% Vacancies
	- North	7% Vacancies
	-South	19% Vacancies
	-West	23% Vacancies
Occupational Therapists		16% Vacancies

The shortage of social work staff reflects the national picture. The survey of all Local Authorities published by the Association of Directors of Social Services on 21 September indicates an average vacancy rate for children’s social workers of 16% with an average of London Boroughs of almost 20%

• *CSF-Schools*

The vacancy survey of schools in September 2001 with a response rate of 78% shows the following results:

SECTOR	TEACHER ESTABLISHMENT	TEACHER VACANCIES	VACANCIES AS A % OF ESTABLISHMENT
Primary & Nursery	3,961.5	92	2.32%
Secondary	4,472.5	102	2.28%
Special	366.6	15	4.09%
TOTAL	8,800.6	209	2.37%

By geographical quadrant, vacancies are distributed as follows:

SECTOR	NORTH	SOUTH	EAST	WEST
Primary & Nursery	14	25	35	18
Secondary	24	31	22	25
Special	4	1	6	4

Of the 557 schools surveyed, 313 reported no vacancies at the start of the school year.

All other departments are either experiencing difficulty recruiting certain specialists where there are general skill shortages in the recruitment market or in particular areas of the county, with the south and west plus Stevenage most often cited.

3. Towards a Solution

At the March Committee meeting three key areas of activity were identified to assist with the resolution of the current recruitment and retention difficulties:

- Improved management information
- Improved recruitment practices
- Improved retention measures

The specific actions to be taken are summarised and updated in Appendix 6. Key activities include:

3.1 Targeting

There has already been a significant amount of work to drill down into the high level quarterly management information and this has produced the information provided in the appendices of this report. These are now the focus of targeted action with service departments to provide solutions. Examples are included in Appendix 6

3.2 Bringing Forward Implementation of the Recruitment Centre

The full implementation of the Recruitment Centre contract will address many of the issues relating to improved recruitment practices and work is hand to bring this forward with full implementation to be completed by the spring 2002. This will include measures to speed up and modernise the recruitment process as well as tackling the issue of marketing and employer branding

3.3 Providing Access to Affordable Housing

The high cost of housing is a major issue in attracting employees to Hertfordshire and in retaining staff who want to enter the housing market. A revised relocation scheme has been introduced offering improved support for new employees moving into the area and into jobs that are difficult to fill.

A bid was made under the government's Starter homes Initiative for grant support to allow lower paid key workers who are first time buyers to access affordable housing through shared ownership schemes with a local housing association. The grant allocation was disappointing with £2.53m being made available to support 68 teachers and 12 Social Workers and Firefighters over 3 years. Details of the scheme are now being finalised with our partner organisation, Aldwyck Housing Association. The government has not yet announced details of a further bidding process for interest free loans.

The DTLR have not yet clarified the criteria for grant allocation and we are continuing to seek a clear response about this.

A 'summit' meeting with District Councils, Housing Associations and other public sector employers is being arranged for 6th November with the aim of developing a strategy for the provision of affordable housing for key workers across the County.

3.4 Reviewing the Employment Package

Targeted short-term measures such as market forces payment are available to deal with the immediate pressures. This is not however sustainable in the long term. There are a wide range of initiatives such as LifeWise, improved training and development opportunities and the review of pay and reward that will address this issue in the longer term. An enhanced benefits package has just been finalised that will provide preferential deals on the purchase of Dell Computers, childcare and nursery provision, AA and RAC membership, Leisure Centre Membership, Personal insurance etc. This will shortly be publicised to new and existing staff.

4. Financial Implications

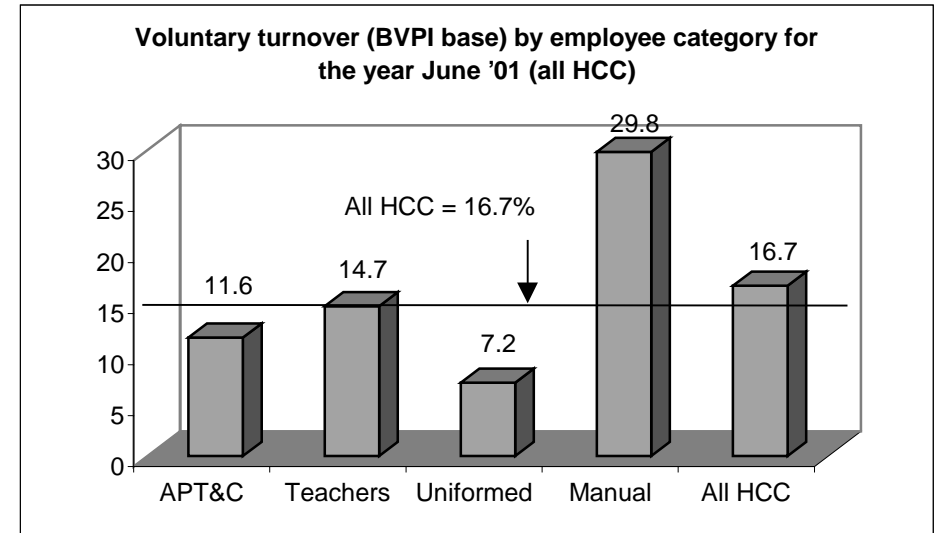
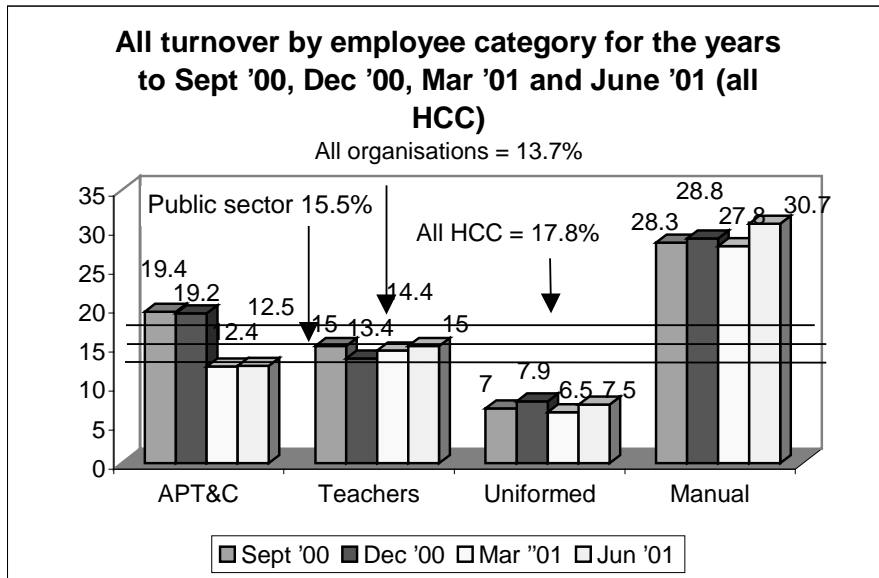
Any costs arising from planned actions will be managed within existing departmental budgets in the short term. Longer-term solutions may require future bids beyond existing budgets.

Background information referred to by author

None

APPENDIX 1

Turnover by category



All Turnover for the years Sept '00 to June '01

	Sept '00	Dec '00	Mar '01	Jun '01
APT&C	19.4	19.2	12.4	12.5
Teachers	15	13.4	14.4	15.0
Uniformed	7	7.9	6.5	7.5
Manual	28.3	28.8	27.8	30.7

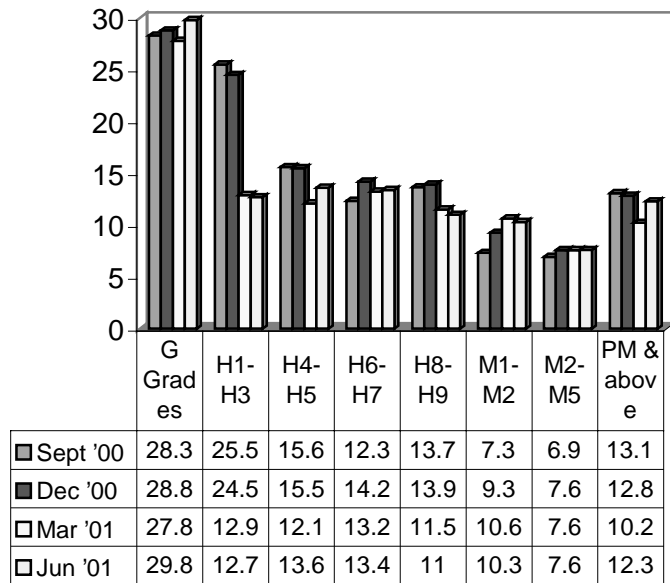
Voluntary Turnover for the year to June 01

	Jun '01
APT&C	11.6
Teachers	14.7
Uniformed	7.2
Manual	29.8
All HCC	16.7

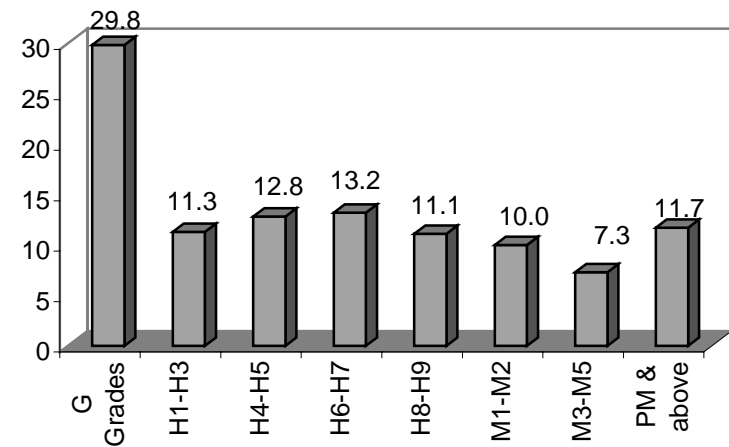
APPENDIX 2

Turnover by grade

All turnover by grade group, years to Sept '00, Dec '00, Mar '00 and June '01 (all HCC)



Voluntary turnover (BVPI base) by grade group, year to June 01 (all HCC)

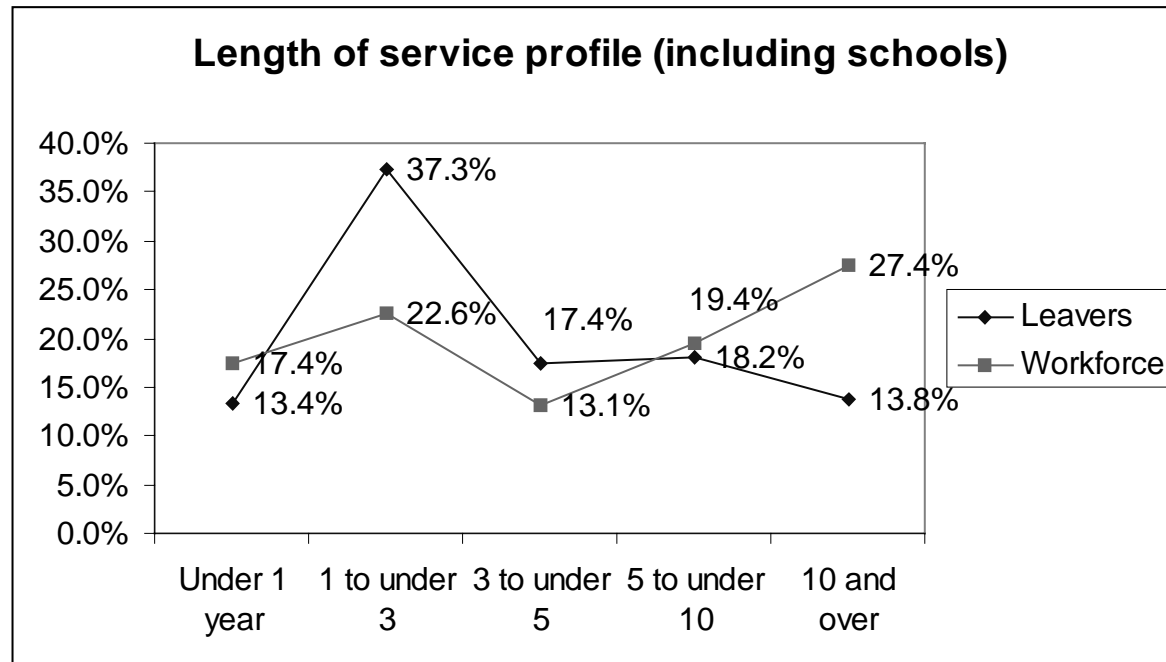


Voluntary turnover for the year to June '01

	Jun '01
G Grades	29.8
H1-H3	11.3
H4-H5	12.8
H6-H7	13.2
H8-H9	11.1
M1-M2	10.0
M3-M5	7.3
PM & above	11.7

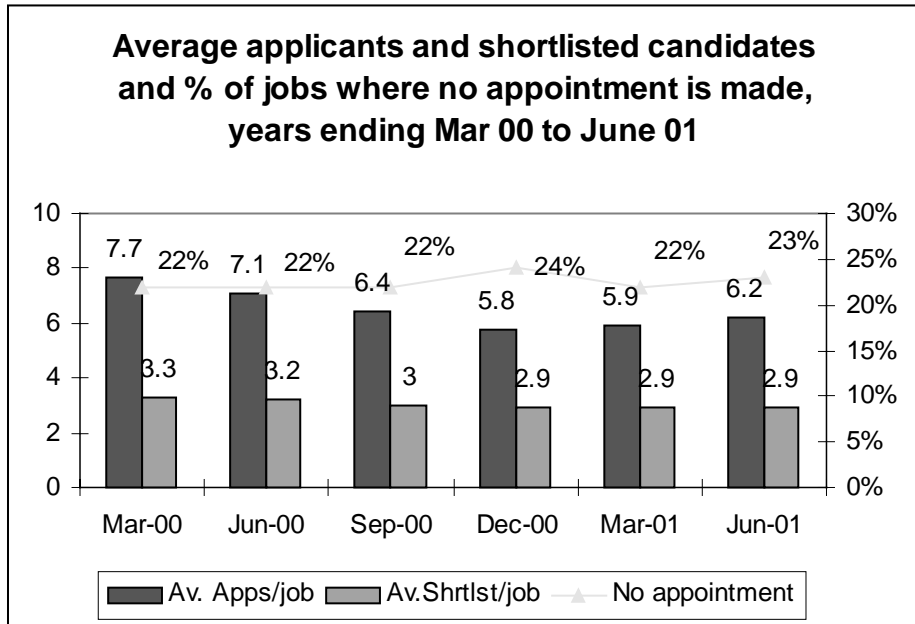
APPENDIX 3

Length of service



APPENDIX 4

Recruitment and advertising



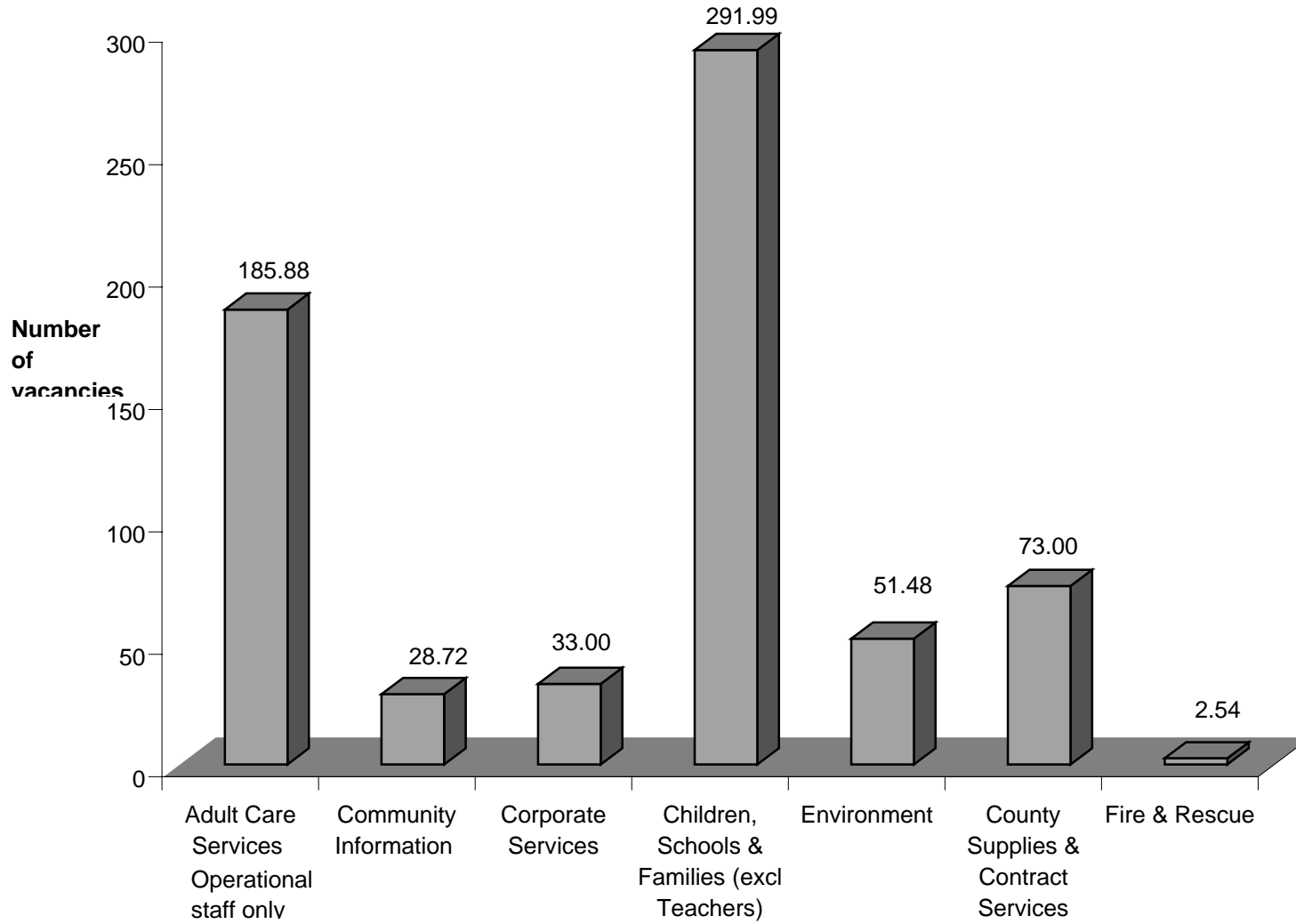
Advertising – Year to August 2001 vs. Previous Year

Schools	Year to Aug 2001	Previous Year	% Change
Volume	3825	3190	19.9%
Spend	£835,232	£535,737	55.9%

Non Schools	Year to Aug 2001	Previous Year	% Change
Volume	1800	1739	3.5%
Spend	£1,234,581	£856,598	44.1%

Appendix 5

Current WTE Vacancies (Aug '01)



APPENDIX 6

RECRUITMENT AND RETENTION – Action Plan (Nov 2001)

Action	Update since last meeting
1. Improve Management Information	
<ul style="list-style-type: none"> • Drill down to identify where the major problems are occurring. 	<p>A detailed breakdown of recruitment and retention data to identify patterns relating to employment group, grade, geography, age, length of service and reasons for leaving to highlight problem areas that are not obvious from the high level statistics is now available. Appropriate action can now be targeted. (Mar 01)</p> <p>Departments are providing monthly vacancy data by geographical area. (Jun 01)</p>
<ul style="list-style-type: none"> • Produce improved leaver information <ul style="list-style-type: none"> - Carry out exit interviews - Continue postal survey until fully implemented 	<p>Face to face interviews undertaken by line managers for all leavers. (Jul 01) Uses the postal questionnaire as the 'notepad' for line managers. Returned to county personnel to input into computer system. Postal survey continues as back up until fully implemented. Questionnaire to be redesigned later in year. Postal survey remains for teachers and Shire Catering .</p>
<ul style="list-style-type: none"> • Use of regular employee attitude surveys to: <ul style="list-style-type: none"> - provide an early warning of issues that might cause employees to leave - monitor employees expectations of work - allow internal comparison of results - provide data on the effectiveness of HR policy and practice. 	<p>Strategy and Consultancy have been commissioned to carry out survey based on focus groups of key workers. To be completed Nov 01</p>
2. Improve Recruitment Practice	
<ul style="list-style-type: none"> • Develop a clear and attractive 'Employer Brand' 	<p>Included in the Recruitment Centre Contract. Scheduled to be in place Spring 2002.</p>
<ul style="list-style-type: none"> • Improve information about the benefits 	<p>Benefits Leaflet for applicant pack in print June 2001 To be updated with additional benefits</p>
<ul style="list-style-type: none"> • Ensure that we are not overselling jobs and give realistic job information 	<p>Implementation of Recruitment Centre plus improved training of managers. Up to H5 jobs going through RC from June 01 Other jobs by Dec 01</p>

Action	Update since last meeting
<ul style="list-style-type: none"> Speed up recruitment process (candidate database and web-based recruitment) 	<p>Implementation of Recruitment Centre Fully interactive web-site by Dec 01 Further review of internal HCC processes required post RC implementation.</p> <p>CSF have introduced fast track interview process for social workers with a standing interview panel and decision to applicant within 5 working days</p>
<ul style="list-style-type: none"> Improve recruitment techniques – towards an assessment centre approach. 	<p>Training of HR staff and line managers</p>
<ul style="list-style-type: none"> Explore new recruitment media e.g. posters and billboards, ethnic press, leaflet drops, local club publications 	<p>Has already started – more planned as part of the Recruitment Centre Contract Implementation Major leaflet drop campaigns in ACS and CSF In CSF:</p> <ul style="list-style-type: none"> qualified staff who have left Hertfordshire in the last 12 months are currently being contacted to foster interest in working for the new service; all student social workers on placement with Hertfordshire are routinely contacted about career opportunities (with a 78% success rate); a recruitment open evening at Porters Wood in St. Albans, again backed up by a local leaflet campaign, attracted 76 people
<ul style="list-style-type: none"> Explore new recruitment markets e.g. overseas candidates, over 65's, under 25's, re-skilling people, New Dealers 	<p>In CSF:</p> <ul style="list-style-type: none"> a team of 3 managers will spend 5 days in South Africa in October interviewing social workers who plan to come to the UK; discussions with Manpower and other agencies are at an early stage in exploring a possible long-term relationship to recruit qualified staff from <p>Wider use of recruitment agencies for permanent staff being considered</p>
<ul style="list-style-type: none"> Grow more of our own staff for skill shortage areas investing trainee schemes 	<p>HR Managers to determine feasibility</p>
<ul style="list-style-type: none"> Work with schools and the careers service to improve our image with young people. 	<p>Improved careers information will be achieved through the Recruitment Centre contract. Nov 01 Other actions to be agreed by HR Managers</p>

Action	Update since last meeting
<ul style="list-style-type: none"> Review incentives and non-pay benefits offered to recruits – (including housing) 	<p>The revised relocation scheme introduced from April 2001. Implementation of Starter Homes Initiative (Jan 02) Other housing support measures are under discussion (Nov 6th 01 Conference) Other benefits are being introduced e.g. the supply of low cost computers, reduced rates for local leisure facilities, preferential deals on insurance, AA/RAC membership.</p>
<ul style="list-style-type: none"> Ensure that starting salary and progression opportunities are attractive. 	<p>The Recruitment Centre provides regular market information A major reward review is underway.</p>
<ul style="list-style-type: none"> Consider markets-forces payments, golden hellos, golden handcuffs, and loyalty payments. 	<p>This will be based on the detailed management information referred to above. Any measure will be related to the market and carefully targeted Work in progress in Shire to use ‘introduction bonuses’</p>
<ul style="list-style-type: none"> Explore the potential of job re-design changing or redistributing certain duties 	<p>This will be targeted on the detailed management information referred to above.</p>
<ul style="list-style-type: none"> High temporary staffing levels will continue to be needed in the short term to plug gaps. This will be easier, speedier and cheaper through the Recruitment Centre. 	<p>Implementation of the Recruitment Centre for temporary staff completed Jun 01 and is already achieving targeted savings on agency rates</p>
3. Improve Staff Retention	
<ul style="list-style-type: none"> Improve Induction 	<p>Work is in hand with departments to revise information and courses.</p>
<ul style="list-style-type: none"> Introduce support networks for key staff 	<p>Pilot work is underway with young people focussed on Modern Apprentices.</p>
<ul style="list-style-type: none"> Improve access to training and development. <ul style="list-style-type: none"> - Effective performance and development schemes - Increased use of career grade schemes - Help with career planning as more traditional paths disappear <ul style="list-style-type: none"> - Support for qualification training with day release etc encouraged - Increased secondment opportunities. <ul style="list-style-type: none"> - Introduction of Individual Learning Accounts for all staff 	<p>Focus of BV review.</p> <p>HR managers to be brought together to agree an action plan. Specific targeted action within in departments.</p> <p>Training Development Survey2001 shows that 98% of staff receive performance appraisal and 84% have personal development plans. Performance schemes are being reviewed to make them simpler and easy to use</p> <p>The development of career schemes will be a key outcome of the rewards review</p>

Action	Update since last meeting
<ul style="list-style-type: none"> • Management support and coaching 	<p>This will be focussed on areas of recruitment and retention difficulty with departments providing dedicated HR support to help with problem identification and resolution.</p>
<ul style="list-style-type: none"> • Job Enrichment: <ul style="list-style-type: none"> - ensuring there are opportunities for self and career development - high levels of recognition and feedback - significant levels of autonomy and a high degree of personal responsibility - the opportunity to use a variety of skills 	<p>HR managers to be brought together to agree an action plan</p>
<ul style="list-style-type: none"> • Get the physical working environment right. 	<p>This will be focussed on areas of recruitment and retention difficulty with departments providing dedicated support to help with problem identification and resolution.</p>
<ul style="list-style-type: none"> • Pay is likely to be a significant factor in improving retention as it is in attracting staff. The work in hand (above) will address this 	<p>A major reward review is underway</p>
<ul style="list-style-type: none"> • Work-life balance needs to be addressed - Lifewise initiative 	<p>The Lifewise initiative will address this issue.</p>