



Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

Report to the Finance, Performance and Resources Select Committee

Title:

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Purpose of Agenda Item

The purpose of this report is to inform the Committee about workforce recruitment and retention and the initiatives that are in place to further improve our performance in these areas.

Background

1. We still have shortages in some critical skill areas:
 - Children's social workers
 - Educational Psychologists
 - Planning Officers
 - Highways Officers
 - Building Surveyors and Mechanical Engineers
2. Voluntary turnover is down on the 2015/16 figure of 15.7% but above our target of 10% and the industry benchmark of 8%-10%. Council wide it is at 13.5% with Children's Social Care and Learning (CSC&L) at 16.7% and Communities, Health and Adult Social Care (CHASC) at 14.2%.
3. Spend on agency staff is projected at £10.6m for 2016/17 which is a 9% reduction on spend in 2015/16. Members should note, however, that agency staff are covering for permanent roles which are budgeted for. On average agency workers cost 15 – 20% more than an employee, so the net additional cost of agency workers is around £1.6m.



What are we doing to address this?

There has been some improvement in turnover and agency spend. We have also had some success in addressing the skills shortages set out above.

4. Children's Social Workers

The national shortage of Social Workers continues to be a key resourcing challenge. Turnover is static and agency spend has not fallen sufficiently. Actions taken to address this include:

- Attraction and retention payments reviewed and in place for hard to fill roles
Expansion of Newly Qualified Social Worker program – ran 10 assessment centres for NQSW in 2016 resulting in 30 new starters since 1st April 2016 (compared to 17 in the previous financial year).
- Career framework in place to support Newly Qualified Social Workers.
- Two major advertising campaigns in 2016 including a variety of digital and social techniques to target Social Workers as well as more traditional advertising on Job Boards.
- Process put in place to further improve flow of agency social workers.
- New on-line assessment and selection technique (Rosie) continues to add value and rigour to the quality of selection decisions and has been used to promote BCC as an employer of choice.

These actions have led to some success in attracting qualified social workers and in appointing some agency staff onto permanent contracts. Increasing the number of permanent employees not only increases the stability of the workforce but it represents a net reduction in cost. For instance, the conversion of 5 agency workers to permanent represents an annual net cost reduction of circa £96k. Social worker retention is still, however, a concern.

SW starters and leavers

	April 2014 – March 2015	April 2015 – March 2016	April 2016 – December 2016 (note 8 months data only)
Starters	17	51	40
Leavers	38	28	36

5. Educational Psychologists

This role is challenging to fill on a permanent basis due to its nature and the fact that many Ed Psychs act as consultants. The requirement is being covered by agency workers at the moment and discussions are underway to identify different solutions to the problem. These are partly driven by new IR35 legislation and partly driven by new reward strategies put in place for these roles. We are in the early stages of considering whether a memorandum of cooperation strategy with neighbouring authorities to cap day rates and standardise working arrangements would introduce a bit more consistency.

A market factor enhancement of 6% was added to the pay ranges for Educational Psychologists in September 2016, together with a recruitment allowance of £2000. This has allowed us to recruit a trainee who will qualify to start from September 2017.

6. Planning Officers

The number of roles required has reduced from 4 in April 2016 to zero in Jan 2017. This is due to a mixture of resourcing strategies including graduate recruitment, rolling recruitment to create a talent pool of candidates and reviewing the reward strategy. Whilst there are no current vacancies and we have a strategy in place this remains a high risk area where we have fewer senior staff than in the past.

7. Highways officers

The two roles required in April 2016 have been filled by utilising pipeline graduate talent – however, the risk are the same as for Planning Officers as set out above

8. Building Surveyors & Mechanical Engineers

These roles continue to be a challenge and 3 remain to be filled against 4 in April 2016. The team are utilising all techniques possible including proactive search on LinkedIn. A senior role has also recently been advertised and it remains to be seen if the salary level improves response.

As well as the innovative resourcing approaches set out above a number of other initiatives have contributed to this slightly improved (and not declining) position as set out below.

9. Digital and Social Media Advertising Strategies

Our performance target in this area is to maintain organic google rating of 1st or 2nd for search terms such as “Jobs in Bucks”

There have been a number of advertising and marketing strategies in 2016/17 centred around the new employment brand and careers site launched in January 2016. Key successes in include:

- Much improved SEO (search engine optimisation) of website - BCC careers website is organically listed at the top of google search result for most key search terms typed in by our candidates. This is essentially free advertising and our position in the rankings continues to improve;

Search term	Google (organic) ranking Q1	Google (organic) ranking Q2	Google (organic) ranking Q3
jobs in Bucks	5 th	2 nd	2 nd
Buckinghamshire jobs	2 nd	1 st	1 st
bucks council jobs	1 st	1 st	1 st
teaching jobs bucks	1 st	1 st	1 st
Social care jobs bucks	5 th	3 rd	4 th

- Website indicators of engagement are stable since launch and compare favourably with benchmarked sites making BCC careers site ‘sticky’; seven pages per visit, average duration of visit just under five minutes; and bounce rate of 25%.
- Users per month have decreased slightly in Q3 to 15,000 from 19,000 in Q1 due to dip after launch activity and reduced budget available for promotional activity.
- LinkedIn presence has strengthened this year. BCC are #1 on the Talent Brand Index vs peers which means that our employer brand on LinkedIn is the strongest amongst out competitors.

10. Rosie recruitment process

Children's Social Care have developed an exciting new digital methodology for recruiting social workers with carefully designed interview questions and an innovative skills based exercise developed by the University of Kent. This on line, interactive exercise invites applicants to step inside the shoes of a front line social worker on a visit to a fictional, but realistic, research-based at risk family - allowing them to demonstrate their skills, knowledge and understanding in a very tangible and practical way. We see this process as a positive method of engaging with potential new hires. Candidates also undertake a structured interview based on critical areas of competence from the social worker Professional Capabilities Framework. Demanding, but relevant and well-designed assessment days like these will help Buckinghamshire County Council attract and select the very best social workers – based on high quality information, a consistent process and a very clear understanding about what we are looking for. This process is now in place for all front line social worker recruitment and as a development tool for internal staff already in role.

11. Memoranda of Cooperation (MoC)

Memoranda – to better manage agency pay rates and prevent the circulation of poor quality workers - have been developed across regions and London boroughs - first in Children's services but now also in Adult social care.

This along with the changing tax arrangements (see below) will hopefully start to improve the attractiveness of permanent employment and support our ability to stabilise the workforce.

The South East Directors of Children's Services (DCS) Memorandum has been signed up by 18 of the 19 authorities in the region (Slough being the only exception).

Directors of Adult Social Care (DASS) – SE Region are working on an equivalent Memorandum across the 18 councils in the SE providing adult social care services. A draft is being presented at the next DASS branch meeting for sign off on January 25th.

Memoranda across the Children's and Adults workforces are broadly similar and cover:

- A standardised approach to references for agency staff
- An agency pay cap to stop pay rates from escalating with agency recruitment
- A six month 'cooling off' period for permanent staff moving to agency work

12. Improving the candidate experience

In order to deliver an end to end excellent candidate experience and build on the new website and application process, a number of initiatives have been in development over the last six months to improve the new starter experience. The goal is to create a welcoming, engaging and consistent on-boarding journey for new starters.

Deliverables include:

- **Launch of a New Starters' Portal** (December 2016) - New starters are given access to the portal via email on acceptance of an offer of employment. The portal will feature: a short interactive e-learning module introducing new starters to BCC; Welcome to Bucks film; the Employee Handbook, plus a range of useful resources and tips.
- **Welcome to Bucks film** - a new video has been produced to welcome new colleagues in the period between accepting an offer of employment and their first day at the County Council. The film introduces new starters to the Chief Executive and gives a range of handy tips for their first few days.
- **New dedicated interview suite** – (November 2016) Recognising that first impressions count, a dedicated interview suite will provide a VIP experience at interview. Renamed the Pinewood Suite – a meeting room on the ground floor by reception is being decorated to reflect BCC's employer brand and values and to showcase the culture and people who work here. A new meet and greet process will enhance the VIP experience.

13. Onboarder Survey

Following a successful pilot in 2015, the Onboarder Survey was introduced across the organisation to help get smarter intelligence on the experiences of new joiners and where we can improve the journey. Sent to all new joiners who joined the organisation between January and September 2016, the survey highlighted **that 80% of respondents viewed their recruitment experience as 'Good' or 'Excellent'**.

14. Agency Workers

There will always be a need to engage a certain proportion of contingency workers and for specialist skills to be called for at short notice - but our agency costs have grown in recent years, partly because of challenging market conditions and a trend for experienced staff to opt out of permanent recruitment and move into locum work – particularly social workers. We have taken a number of measures to improve this position and better manage workforce stability with permanent recruitment strategies and make associated savings on agency spend.

The number of agency staff (including interims) within BCC Services has reduced to an average of 190 per month (Nov 15 – Dec 16). For the previous 12 months (Nov 14 – Oct 15) this was 217.

Management of high cost interim agency workers

A process is in place to review the contract extension process for agency staff. Monthly reports are shared with Business units showing agency workers whose contracts are due to end in the next period. These will be reviewed by senior leadership and extensions only approved on an exceptional basis.

The Resourcing team continue to actively monitor the highest level of spend (top 20 most expensive interims). So far the process has resulted in 21 of our high cost agency workers exiting the organisation at an average daily charge rate of £590 with clear strategies in place to manage the remaining top 20.

14.1. Employee engagement

Employee engagement is key to retention. Colleagues who have a positive experience of working for BCC will want to stay with and develop their careers with the Council. They are also more likely to engage with the Council's strategies and plans and general productivity and performance levels increase as reflected in :

- Employee satisfaction
- Sense of value and worth
- Energy levels
- Innovation and creativity levels
- Customer service
- Ownership and accountability for decisions , delivery etc

BCC has an engagement score well above the national average – at 58% compared to 33% (Engage for Success data 2013). There is variation at local level and improving employee engagement is a key action in CSC&L as part of efforts to reduce turnover.

We measure employee engagement through our Viewpoint survey which measures the drivers and factors that affect engagement in our organisation. Following the last survey in May 2016 the key actions to improve engagement were as follows:

- Achieve a score of 60% by March 2018
- Do more to make staff feel valued and appreciated in line with our caring value
- Help staff to understand how their work is contributing to the progress being made by the Council

- Review workloads and set clear priorities and expectations with staff
- Listen more to those who do the work
- Foster cross team working on shared interests and a collaborative approach to work

2.1.4 Exit interviews

The Council promotes the use of Exit interviews to gather valuable data that may assist us with retaining employees in the future. Apart from face to face interviews we also use a short online exit interview questionnaire which explores, in a structured and objective way, the reasons underpinning an individual's voluntary decision to leave.

Combined findings from face to face and online data for the last three quarters show that the most significant reasons for leaving are as follows:

- Lack of confidence in the future of the organisation
- More senior position available elsewhere
- Lack of teamwork / cooperation
- Poor communication by senior management
- Workload/caseload
- Inefficient systems / processes

Having said that, however, 77% of those leaving indicated that they would come back to work with the County Council in the future.

The following issues have been highlighted as areas that are **not** a cause for leaving:

- Ethical Standards
- Personal Growth, career progression
- Job Satisfaction
- Wellbeing, Working Conditions
- Independence
- Salary & Rewards
- Loyalty & Trust
- Vertical Relationship
- Cooperation, team work, colleagues

15. Tax changes impacting on recruitment and retention

HMRC estimate there is gross underpayment of tax and national insurance by self-employed contractors who are carrying out activity that falls under IR 35. This is work that emulates normal employment – a regular pattern of work, carried out under instruction, that a specific person is expected to perform. In these circumstances the contracted workers should be paying tax and national insurance in the same way as an employee.

From 6 April 2017, in the public sector, the liability for paying the tax and NI for self-employed contractors will shift from the individual worker, to the organisation engaging the worker (this will be the recruitment agency where we work through recruitment agencies).

We estimate that the vast majority of roles performed by self-employed contractors, such as that of a social worker, will fall under IR35 and will be impacted by this change.

OCB discussed on 22nd Feb collaboration around a Regional Memorandum of Cooperation approach to IR35 resisting day rate increases. London Boroughs in particular are setting the pace on following a collective code not to increase day rates and the SE DCS group are also planning to adopt this guide for SW day rates. OCB were happy for BCC to follow this route and sign up to agree to resist day rate requests.

Resourcing implications for BCC

- Has potential to motivate some workers to shift from agency to perm – if going on payroll for tax and NIC workers may see benefits of being an employee for pension/absence/annual leave
- Some workers may ask for increases in day rates to offset employee tax and NIC rates if they haven't been paying to date (we will resist this)
- Agency fees may increase as they pass the burden of the NIC contributions (13.8%) to the client
- Some workers may consider leaving the sector because of planned changes

16. Other related activity

Other strands of the people strategy also impact on recruitment and retention. We can update members on these at a later date.

- Talent Management and Succession Planning
- Reward and recognition
- Leadership Development
- Health and Wellbeing

17. Next steps

- Continue to maintain a vacancy percentage of around 5% via effective and efficient management of operational recruitment
- Work on all people Strategy workstreams to reduce voluntary turnover from 13.6% to 10%
- Continue to manage agency worker volumes including high cost interims to maintain downward trend in numbers and spend
- Action learning from on-boarder survey to make further improvements to candidate experience
- Continue to develop careers website and maintain digital & social activity in order to optimise applicant to hire ratio at between 5 and 10 applicants per hire – make BCC a recognised employer of choice
- Work with Business Units to identify innovative resourcing strategies for hard to fill roles and build talent pipelines
- Monitor IR35 & MOC developments and identify risks and benefits for BCC
- Continue with activity to increase employee engagement