

Recruitment and retention across GCC

Report to Corporate Overview and Scrutiny Committee

Background

1. Nationally and regionally job vacancies are at record levels across a broad swathe of professions, sectors, and salary levels. This is not considered to be a short-term phenomenon. The Office for National Statistics (ONS) reported that between May to July 2022, there were 1,274,400 vacancies. This was a decrease of 19,800 from the previous quarter, while the average unemployment rate fell to 3.8% indicating that the UK is facing its tightest labour market in some decades. Hays' recent national survey found that more than 80% of employers said they were struggling to attract the right talent and over half of employees said they were thinking about changing jobs in the next twelve months.
2. Increasing numbers of rewards and signing-on bonuses are being offered across sectors as concern about the impact of running with reduced teams and an inability to compete in the market becomes real. For a number of years at GCC, we have had to offer welcome payments and other inducements for particularly hard to fill roles including children's social workers, engineers and planning in order to secure specific knowledge and skills that are in both short supply and high demand.
3. The CIPD, previously reported that the most popular response to recruitment and retention difficulties was to raise pay. We are seeing some of the highest private sector pay increases in recent history but this is not likely to be sustainable. It reported that 47% of employers are reporting 'hard to fill' posts. The top response planned by employers to recruitment and retention difficulties is to upskill existing staff (41%) and advertising more jobs as being flexible (35%). Raising wages comes in third at 29%. This is a positive step, as recent years have seen a decline in employer investment in training.
4. Recent articles in the HR professional press have reinforced the view that a large proportion of the UK workforce will look to change jobs within the next 12 months with the reasons being to gain more flexibility, to seek more purpose and to learn and progress in their careers. This indicates that employers can continue to expect employee turnover rates to increase.
5. The Office for National Statistics (ONS) also predicts that by 2050, 25 per cent of the population will be over 65, an age group that is growing faster than any other. As that age group moves out of the labour market, employers are facing further pressures regarding the availability of younger workers. It is worth noting that 43.4% of the GCC workforce is over 50 years of age - a proportion that has remained consistent for some years. This is higher than the Gloucestershire demographic of 39.7% of working age population in that age bracket. Most of our workforce has over 5 years' service and is therefore likely to be at the top of their pay grade. They will, therefore, not benefit from incremental progression and may consider, given the level of any national pay awards set against rises in inflation, that their pay is decreasing in real terms.

6. GRI, our own agency provider has confirmed that they have never had more open vacancies meaning that candidates have significant choice. Therefore, finding even short-term staff quickly is proving highly challenging.
7. GCC has had difficulties attracting middle graded, professional roles such as social workers, lawyers, planners, auditors and highways managers for some time. We are now finding increasing difficulty in attracting and retaining employees across all areas of the council. This includes lower paid, less qualified roles such as admin, contact centre, social care, and library assistants as we compete with the private sector including hospitality and retail where pay and packages have improved significantly during recent months. We are struggling to recruitment to our level two and three apprenticeship roles due to the salary being offered.
8. We are seeing lower levels of applications for roles than prior to the pandemic. Previously, we would receive on average 50 applications for our administrative roles. We are now receiving less than 10 applications. Often the same candidates are applying for all the administrative roles available at that time, so the best candidate is appointed to the recruiting manager who interviews first. This same situation applies to library assistants and other lower paid, less qualified roles.
9. Service areas report high levels of vacancies which impact on service delivery and put additional pressure on other colleagues, many of whom are struggling with fatigue and waning morale given the pressures of the last two years. Our staff surveys and other employee engagement tell us that the significant majority of our employees believe GCC is a good employer, and they are proud of what they do here. However, they are also reporting increased pressure on individuals given the impact of turnover and vacancies.
10. The future, however, is uncertain. Increasing inflation and wider economic factors may result are resulting in wider pressure on the private sector, which may change some of the factors outlined above and increase the numbers of potential candidates.

What does GCC's workforce data tell us?

- **Council workforce (headcount)** – the council's headcount has increased steady over the last five years as detailed in Appendix One with the exception of April 2022 where there was a slight reduction where it fell to 3960 from 4043.
- **Age population of our workforce** – as detailed in Appendix Two, we have an aging workforce. It is worth noting that 43.4% of the GCC workforce is over 50 years of age; this is higher than the Gloucestershire demographic of 39.7% of working age population in that age bracket. Most of our workforce has over 5 years' service and is therefore likely to be at the top of their pay grade. They will, therefore, not benefit from incremental progression and may consider that their pay is decreasing in real terms

- **Turnover** – prior to the pandemic, the council’s turnover remained steady for a number of years at 10% to 11%. Initially during the pandemic, turnover fell however has now increased to 13.4% in April 2022 as detailed in Appendix three. All directorates have seen an increase in the level of turnover. This may be partly an adjustment following the stability of the 2020 and 2021, however we are losing staff from a number of our specialist roles and are not able to recruit due to the recruitment market difficulties.
- **Why are people leaving** - 32% of our leavers are moving to another role outside of the Council. 32% of our leavers are moving for other roles in the Council. 46% of staff are leaving their current roles to develop their careers as detailed in Appendix three. It is, therefore, important, that we have career pathways for roles so staff are retained in the Council as they see a clear future with us.

What are we doing to respond to these challenges:

- Developing of an employee value proposition (EVP). In a tough candidate-driven market, an EVP can make enough difference to enable successful recruitment. A consistent, positive message backed by personal stories and data about what it is like to work at the Council builds a profile and reputation that is proven to attract and influence candidates. Research confirms that a clear purpose does attract candidates as does offering flexibility and career development. These factors are being included in our proposition. We have developed the concepts of an EVP following focus groups with staff and potential candidates in June 2022. The EVP is currently being finalised by our recruitment advertising agency.
- Improving our job site to align with the EVP and other recruitment material. Along this we are increasing our attendance at job fairs and the recruitment market.
- Promoting our agile and hybrid working offer for roles where this works and the broader council benefits for jobs which are required to have fixed hours and bases (e.g., Library staff, residential establishments).
- A clear statement of the benefits of working for the council is being attached to all our job adverts to promote the overall package. This will be available in late September and will target both internal and external candidates for recruitment and retention purposes.
- Appointed two Recruitment Advisers on a fixed term basis to trial additional support for managers with the advertising and selection of candidates. This will ensure that we are using a marketing strategy that is suitable for the role and which targets the right pool of candidates. This will involve greater use of

advertising through social media, including LinkedIn, Facebook, Twitter, as well as optimising the use of Google. We will also use artificial intelligence to target passive candidates and wider advertising to attract a more diverse and inclusive candidate pool.

- Improving our recruitment support offer to managers to ensure they are supported through the recruitment process and to ensure that candidates get a better, more consistent experience.
- Awarded a new agency contract which commences on 1 December 2022. This contract includes the provision to use agencies for temporary agency workers but also the recruitment of our permanent 'hard to fill' posts where we need a more direct and proactive approach.
- An increased focus on developing our workforce including use of apprenticeship at a higher level for career development which will aim to retain of our staff. Also offering a wider package of training to upskill or reskill staff to fill skills gaps to support employee engagement and retention. This will form part of our workforce planning activities.

APPENDICES

Appendix 1 - Council's headcount

Year at 1 April	Head count
2017	3593
2018	3599
2019	3735
2020	3973
2021	4043
2022	3960

Appendix 2 - Age Profile of our workforce

Age	Number	%	County – working population
< 20	16	0.4%	8.1%
20 - 29	483	12.2%	15.7%
30 - 39	803	20.4%	17.7%
40 - 49	897	22.7%	18.6%
50 - 59	1277	32.4%	22.0%
60 - 69	453	11.5%	18.0%
70 plus	14	0.4%	N/A
Grand Total	3,943	100.0%	100.00%

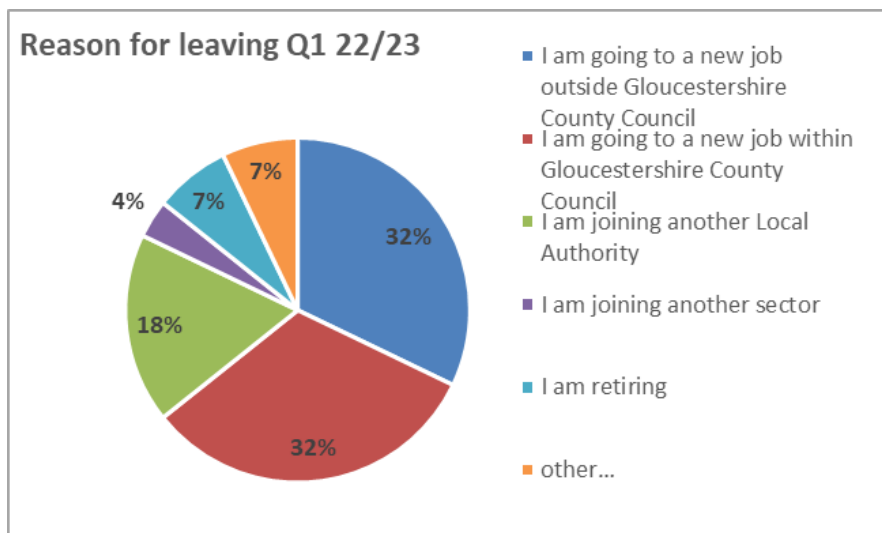
Appendix 3 - Council's turnover

Directorate	GCC Leavers				% of Leavers Completing Exit Interview	
	Q1 2022/23		2021/22		YTD 2022/23	2021/22
	Number	%	Number	%	%	%
Adults	38	30%	152	29%	32%	54%
Children's	40	31%	162	31%	15%	42%
Community Safety	14	11%	66	13%	7%	11%
Corporate Resources	20	16%	86	16%	15%	33%
EEL	15	12%	62	12%	40%	34%
Grand Total	127	100%	528	100%	22%	39%

Turnover per Directorate with GCC overall turnover figure

	April 2020	April 2021	April 2022
Adults	9.1%	8.7%	14.1%
Childrens	11.8%	10.0%	13.6%
Corporate Resources	7.4%	7.5%	13.5%
E.E.I	8.9%	10.4%	11.2%
Community Safety / GFRS	14.2%	8.6%	13.4%
GCC	10.2%	9.1%	13.3%

Leaving reasons



Main reason to leaving (including 'other' comments)	Q1 2022/23
To further my career	46%
A change in personal circumstances	14%
I was unhappy with my workload	14%
To reduce the distance, I commute	11%
To develop career	7%
I was offered an improved remuneration package	4%
Other - Work/life balance	4%
Grand Total (of survey responses)	100%