Croydon Council

REPORT TO: CORPORATE SERVICES COMMITTEE – 23 JULY 2008

AGENDA ITEM:

SUBJECT: International Recruitment Pilot for Planners

LEAD OFFICER: Director of Planning and Transportation

CABINET MEMBER: Councillor Jason Perry, Planning

WARDS: ALL

CORPORATE PRIORITY/POLICY CONTEXT.
The report supports the Council’s priorities, in Retaining Croydon’s Character, Improving the Environment and the Council’s values, in terms of investing in people.

FINANCIAL SUMMARY:
The total estimated cost for this project is £61,000 which has been subject to a RELEASE bid. This yields a potential saving of up to £80,000 per annum.

FORWARD PLAN KEY DECISION REFERENCE NO.: N/A

1. RECOMMENDATIONS

The Committee is asked to:

1.1 Note progress made to date on the overseas recruitment pilot in Planning & Transportation and comment on proposed future action.

2. EXECUTIVE SUMMARY

2.1 This report outlines the shortage of skilled Planners and Building Control Surveyors (‘Planners’) in the UK and how the Council currently recruits to planning positions through conventional advertising and temporary interim staff.

2.2 This report also explains the long term recruitment and retention initiatives being used by the Council which aims to ensure the provision of Planners for the future.

2.3 On 17 October 2007, the Corporate Services Committee approved the principle of an overseas recruitment campaign to work for the Council as a short term solution due to the shortage of experienced planners in the UK, including overseas travel for officers. This was on a pilot basis.

2.4 This report updates on progress on this pilot.
3. DETAIL

Background

3.1 Recruitment and retention of Planning and Transportation staff is a key risk to service delivery for the Council. Volumes of work continue to increase at a time that skills are in greater demand. Planners are the second most “hard to fill” occupation for local councils, after Social Workers. Similarly other disciplines in the department are in the top 5 ‘hard to recruit’ categories.

3.2 Research undertaken by the London Councils into the recruitment and retention of Planning and Transportation staff showed that retention is a major factor affecting the London market as a whole, with staff often moving to jobs outside London or into the private sector. Pay in the private sector is considerably higher than in the public sector, and combined with the cost of living in London, it proves a major influence in staff moving.

3.3 Demand for Planning and Transportation professionals nationally has grown, especially with the impact of the 2012 Olympics and Councils have found it increasingly hard to compete in this sector.

Recruitment and Retention Strategy

3.4 Planning and Transportation have had a localised recruitment and retention strategy for a number of years. This has included:

• Restructuring of the department on a service by service basis - flattening the structure to allow greater career enhancement for existing members of staff;

• Full development of a career grading structure throughout the service;

• ‘Grow Your Own’ – this has proved successful particularly with staff from the admin groups who have subsequently moved into planning officer roles; this has included supported assistance in obtaining qualifications. However, this approach requires a significant management investment, time off for study leave as well as financial support for obtaining qualifications. Typically this amounts to £1,300 per person per annum on a day release basis for a 3-5 year period. This approach is a sound investment long term but it does not address the issue immediately when the demand is acute;

• Widespread use of market supplements, which has proved successful to a degree in terms of stabilising the service at the lower levels. However, turnover at the more senior levels remains an issue.
Use of Temporary Staff

3.5 The Planning and Transportation Department has used temporary agency staff to cover the vacant positions which historically has been up to 20% of the department. This method is extremely expensive with a temporary member of staff costing on average £205 per day compared to a permanent member of staff costing £162 per day.

3.6 Temporary staff are not bound by normal notice periods therefore this can disrupt work as temporary staff can leave in the middle of projects and new temporary staff have to be employed quickly to cover the work, or the work is not completed.

International Recruitment

3.7 The cost of constant ineffective advertising and the expense of temporary staff fees are extremely high and therefore the option of international recruitment, although expensive in the short term, has been pursued. This approach was approved by the Corporate Services Committee in October 2007 on a pilot basis. This is an innovative approach for the planning profession and it is understood that Croydon is the first borough to go down this line. This has been based on an approach that colleagues in Social Services have used for many years.

Australian Pilot

3.8 Two officers flew out to Australia in May 2008 to pilot this approach, for 8 posts (5 Planning Officers/3 Building Control Surveyors). Australia was selected as the pilot based on:

- Advice from appointed Recruitment Consultancy (Hays).
- Similar planning processes and systems to the UK;
- Strong track record of temporary Planners originating from Australia
- Salary compatibility with the UK;

3.9 Hays Global Link Recruitment, after a competitive process, were selected to run this campaign. It should be noted that Hays are a well established agency that we use at Croydon to currently source temporary professional staff. Hays Australia ran the advertising campaign and the long listing process and 20 candidates were shortlisted. This compares to a UK experience of minimal response and short listing opportunities at more senior level.

3.10 This campaign has been funded from pump priming RELEASE funding of £59K with a targeted financial efficiency of £80K per annum. Current projections of the additional cost of this approach is approximately £23K, which represents the costs of travel overseas by officers, work permits as well and relocation measures for successful candidates.
Results

3.11 Overall, this proved to be a successful pilot and demonstrates ‘proof of concept’. Upon announcement of the pilot 2 temporary members of staff accepted 2 year contracts in 2007/8, thereby generating immediate efficiency of approximately £2K in year.

3.12 In terms of the overseas trip, officers visited both Sydney and Melbourne and conducted interviews, over a seven day period. The results of which are as follows:-

3.13 Planning – all 5 posts appointable and 3 reserves. There is a strong market for planners and we tapped into the over 30’s market. The working holiday visas which our temps have, run out at 30, so our sponsorship is the only option for people over 30 looking to work overseas. The selected candidates have a range and depth of skills/experience.

3.14 Building Control – only 1 appointable out of the 3 advertised posts. The market is increasingly competitive in Australia and the skills not as easily transferable.

3.15 Other benefits – very useful feedback on Australian planning system was obtained through this pilot. Similar systems to Local Development Framework and Community Infrastructure Levy have been in operation for a number of years. Effectively through this campaign we will be importing these skills to strengthen Croydon’s work in this area. Additionally all candidates demonstrated strong ‘soft’ skills which will be helpful in prompting further cultural change within the service.

3.16 It should be noted that 4 candidates dropped out at short notice and 1 was interviewed in the UK as she had pre-arranged holidays.

Implications and Way Forward For the Future

3.17 Pilot has confirmed that there is a strong market for appointment of Planners in Australia but less so far in the Building Control profession.

3.18 Offers have been made to 6 candidates and work permits and visas will be progressed. Offers include cost of work permit and visa processing to be borne by Croydon together with a one way flight and £1,000 relocation. At the present 4 candidates have formally accepted and very recently the 2 remaining have declined. Officers are revisiting this issue with Hays to examine potential reserve candidates.

3.19 The financial business case breaks even after approximately 12 months so it is essential that candidates remain for at least that period. All candidates will be bound to a 2 year contract. If candidates leave earlier than 2 years, then elements of the costs set out in the above paragraph will be repaid. Market supplements payable to permanent staff will only be payable at the end of 2 years for the new recruits as an incentive to stay. Visas and work permits will
be held specifically to and by Croydon Council, and so cannot be transferred by the overseas recruit to another employer.

3.20 Strong interest has been expressed by Merton & Sutton and the broader West London Alliance grouping on this approach. Once candidates have been definitely secured, there is an opportunity for this approach to be rolled out with Croydon being the Centre of Excellence and the lead authority in this area.

3.21 Further international recruitment – this pilot has confirmed that in areas of skills shortage, the Council could be considering a global market (subject to necessary visa/work permit restrictions) The current business case suggest direct travel is cost efficient on a minimum of 4 posts. Hays’ video conferencing facilities in Sydney were reviewed by officers and could be a potential option for the future. Feedback from Hays is that this would be cost beneficial in the short term but the fall out rate of candidates tends to be 50% higher.

Long-term Recruitment Plans

3.22 Building on the existing strategies the following options are also being actively explored:

- An apprentice scheme;
- Graduate placement scheme – specifically officers are in contact with South Bank University.

4. CONSULTATION

4.1 Not applicable

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

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Remaining budget | (2) | 31 | (80) | (40) | 0
5.2 The effect of the decision

The costs relating to these services are funded by the salary budgets currently set for 2008/09, and need to be balanced out against the costs of recruitment campaigns in the UK that would have been incurred.

With this in consideration, this proposal yields a potential reduction in costs of up to £80K per annum from 2009/10 onwards. The first year will result in net additional cost of £31K as initial start up costs fall into this year.

These estimates are based on the assumption that overseas recruits will be in place by September 2008, with the 24 month contract expiring mid way through the 2009/10 financial year. They also assume that 6 appointments will be made from overseas, which is addressed in the risk section below. The early appointment to 2 permanent posts has also yielded a small efficiency in the 2007/08 financial year.

The initial expense of recruiting from overseas has to be compared to the expense of temporary cover and constant cost of advertising until the long term initiatives are implemented. This will be a short term plan which will ensure that the Planning Department has the required number of employees to cope with the ongoing regeneration of Croydon and can plan future initiatives without the problems of recruiting temporary staff.

5.3 Risks

This project is considered to be low risk. The main risk which may occur is that the overseas candidates might not settle in Croydon and return to Australia, but this can also be the case with recruitment campaigns held in the UK. This risk is somewhat mitigated by including a clause in the contract to repay their relocation allowance if they leave their position within a set time (12-18 months).

The project has also experienced a degree of attrition during the interview and offer stage, and this needs to be recognised if this pilot be implemented elsewhere in the organisation.

There is a risk that the 2 final appointments may not be secured. This would reduce the number of permanent staff appointed to 6 (2 UK, 4 overseas) and would reduce the full year saving from £80k to £60k. However, work is ongoing between Officers and Hays to ensure all vacant positions are successfully appointed.

5.4 Options

There are no other viable options other than continuing with current practices and spending a large amount on temporary staff until the long term recruitment plans listed in section 3 are implemented.
5.5 **Savings/ future efficiencies**

Recruiting from overseas can ensure a quick and efficient solution to the lack of skilled and experienced Planners at the Council.

(Approved by: Ian Geary, Head of Finance, Planning and Transportation.)

6. **COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

6.1 The Council Solicitor and Monitoring Officer comments that there are no legal considerations arising directly out of the recommendation in this report other than to note that prior to permanently (or temporarily) recruiting any members of staff Council officers will ensure (as is usual practice) that all candidates have the right to work and remain in the United Kingdom.

(Approved by: Sean Murphy, Corporate Solicitor, on behalf of the Council Solicitor and Monitoring Officer.)

7. **HUMAN RESOURCES IMPACT**

7.1 This project will help to fill hard to recruit posts. An Adaptation and Support Programme for them is being developed and resourced adequately.

(Approved by: Robert Laban, Head of HR Consultancy, on behalf of the Divisional Director of HR & OD.)

8. **CUSTOMER FOCUS IMPACT**

8.1 This initiative will potentially improve both the quality and speed of the service.

9. **EQUALITIES IMPACT**

9.1 The international recruitment campaign was overseen by the HR&OD department at Croydon Council, who ensured that the recruitment process was conducted fairly and without discrimination and follows the Equal Opportunities policy at the Council. The overseas candidates will be asked to complete an equal opportunities monitoring form.

10. **ENVIRONMENTAL AND DESIGN IMPACT**

10.1 There are no environmental and design impact arising from this report.

11. **CRIME AND DISORDER REDUCTION IMPACT**

11.1 There are no crime and disorder implications arising from this report.
12. **HUMAN RIGHTS IMPACT**

12.1 There are no human rights implications arising from this report.

13. **FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS**

13.1 There are no specific Data Protection considerations arising from this report.

13.2 The Council’s Procurement Strategy and Tenders and Contracts Regulations are accessible under the Freedom of Information Act 2000 as part of the Council’s Publication Scheme. Information requested under the Act about the use of recruitment agencies held internally or supplied by external organisations, will be accessible subject to legal advice as to its commercial confidentiality, or other applicable exemption, and whether or not it is in the public interest to do so.

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Claire Gibson, HR&OD,

**BACKGROUND DOCUMENTS:**  None