

Tomorrow's people

Building a local government workforce
for the future



Local government

Summary

June 2008

 **audit**
commission

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Local authorities need effective recruitment and retention strategies

- Staffing is the single largest area of spend for councils; at £55 billion a year it accounts for 50 per cent of all service spending.
- There is a positive correlation between effective workforce planning and comprehensive performance assessment results.
- Recruitment and retention have a significant role in delivering equality objectives.
- A competent and committed local government workforce is a critical element in service improvement, efficiency and transformation.

But most councils have progress to make

- Local authorities rarely plan or manage their workforce recruitment, development and retention strategically.
- Workforce issues are often viewed as an operational responsibility of limited relevance to strategic objectives.
- In the best performing councils, members, chief executives and heads of service engage strategically in workforce issues.
- Only a minority of councils have adequate or effective workforce strategies and systems.

Failure to take a strategic approach puts key services at risk

- There are serious difficulties recruiting and retaining staff in key areas: for example planning, environmental health and adult social care.
- Councils without a systematic approach to recruitment and retention could:
 - fail to deliver statutory duties and key services;
 - waste money on unnecessary temporary and agency staff;
 - struggle to achieve local and national objectives; and
 - fail to improve the quality of life in their areas.
- Unplanned and poorly researched approaches to labour markets lead to wasteful and unnecessary competition for scarce resources, pressure on key workers' pay, escalating costs and patched-up solutions.

There is clear evidence that effective approaches to workforce planning lead to efficiency gains and service improvement

- Managing the workforce effectively can reap dividends:
 - Councils have done well to reduce sickness absence by 6.7 per cent over the last four years, the equivalent of having 6,000 more full-time employees.

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- Maintaining this success should be a high priority for all councils: with further progress, additional productive time worth £150 million per year could be released.
 - Efficiency gains can also be created through:
 - managing turnover;
 - using temporary and agency staff more effectively;
 - innovative approaches to flexible employment; and
 - using information and communication technology.

Councils can respond more effectively to future challenges by working with partners and across areas to address workforce issues

- Councils that work collaboratively with other agencies can get better labour market data, respond to staff shortages and deliver joined-up services to individuals.
- Local strategic partnerships can benefit by sharing resources and managing them jointly, including frontline staff and back office services.

Recommendations

Council leaders and chief executives should:

- champion workforce issues;
- regularly report on workforce capacity and capability to their cabinets/executives;
- work with partners to develop integrated workforce strategies;
- develop the local government brand as a powerful recruitment and retention tool; and
- use the questions in this report as the basis for a review of their council's approach to strategic workforce planning.

Service managers, working with HR directors should:

- integrate workforce planning with strategic, financial and service planning;
- use robust population, labour market and workforce data to develop a comprehensive picture of current and future recruitment and retention needs;
- manage staff potential by improving career structures and development opportunities to retain those most needed;
- develop opportunities for flexible (time/place) working arrangements to support workers through key life events (parenthood, carer responsibilities, pre- or semi-retirement) and to respect personal choice; and
- put in place effective programmes to attract and retain the workforce needed to deliver future services.

Local government and its partners should:

- continue to promote local government as an employer of choice;
- identify, and take action to overcome, national skills shortages;
- provide consistent messages across government on the need for effective workforce planning and recruitment and retention in councils;
- collect and disseminate local, regional and national data on workforce trends to enable councils to identify labour market risks;
- provide data on workforce issues to facilitate benchmarking; and
- provide general and sector specific guidance on workforce planning, recruitment and retention.

The Audit Commission will:

- continue to assess the quality of councils' workforce planning and the extent to which it supports sustainable delivery of council priorities and achieves value for money;
- use the findings from this study to inform the development of guidance supporting the workforce KLOE in the new use of resources assessment; and
- continue to share notable and innovative practice around workforce issues with the local government community.

Copies of the full report are available at: www.audit-commission.gov.uk or to order a printed copy telephone: **0800 502030** quoting stock code: **LNR3449**



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Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers by auditing the £180 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for people.

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