

Lancashire County Council

CIPD People Management
Awards 2009

Submission Document

Project Description

We recognise how Human Resources can deliver far-reaching change within our organisation. Lancashire County Council's (LCC) priorities – boosting skills, reducing costs and planning for the future – requires innovation and cultural change. So we pioneered three new workforce programmes that go beyond HR orthodoxy and demonstrate how HR transforms the lives of employees *and* the organisation that employs them.

1. *Improving the bottom line:* We developed the first-ever public sector work trial, *WorkStart*, creating a route back to work for long-term welfare recipients, expanding the talent pool available to our managers, and reducing agency costs.
2. *Focus on the future:* We re-engineered our *Apprenticeship* programme to address challenging demographic trends and re-fresh our workforce with talented individuals, thereby building perpetual capacity.
3. *Understanding what drives the business:* We founded *Future Horizons* to give opportunities to young people not in education, employment or training (NEET) and looked after children. Helping disadvantaged populations is a core part of the Council's business and *Future Horizons* provides qualifications, life skills, career information and advice, and a structured eight-week work placement with us or a partner organisation.

Objectives

We are a democratically-elected institution and the County's largest employer (44,000 staff), so the Council's HR team has a huge role to play in creating a representative workforce that shapes and targets our services appropriately.

We aimed to:

- Cut spending and reliance on agency staff
- Boost workforce skills
- Improve the age profile of our workforce.

Lancashire must address serious skill shortages, graduate retention issues, and the "lost generation" of young men and women whom policymakers fear will be doomed to a lifelong lack of opportunity. That's why we included help for young jobseekers in our deal with government, known as the Lancashire Local Area Agreement (LAA).

According to an internal age profile conducted in 2007, less than four percent of the authority's employees were aged 25 or younger. By contrast, workers aged 51 and above accounted for almost 40% of the council's 2007 workforce. Nationally, only around one third (33.7%) of all local government employees are over 50.

Simultaneously, budgets tighten while public expectations increase. Central government demands ever more efficiency savings and a sustained movement from welfare to work. The public, rightly, insists on value for money and protection for front-line services.

HR's solution achieved several business-driven objectives at once:

1. Reduces social and financial costs of unemployment.
2. Cuts agency costs funded by council taxpayers.
3. Transforms future demographic profile of the organisation
4. Ensures HR is the driver of change and embeds good practice across the organisation.

Our objectives go beyond recruitment and training and aim to make HR truly responsive to our business needs by matching new staff and skills with managers and opportunity. Improving the life chances of workers leads to other organisational benefits. By boosting our standards, we reduced spending on agency staff.

Provide a summary of the project team, highlighting individual roles and responsibilities:

Attachment 1

If the project included the use of external support please provide details:

WorkStart, our 30-day work trial, was developed through partnership with Jobcentre Plus. Our new *Apprenticeship* programme works with three Further Education colleges. Future Horizons works in partnership with North Lancashire Training Group

Indicate the timescales over which the project was compiled and implemented:

January 2008– March 2009 (appendixA)

Outline any barriers that were experienced and indicate how they were overcome:

It's difficult to engender change that mainstreams new HR practices throughout a complex organisation. But that's exactly what we did.

We identified a structural weakness — the “ticking time bomb” of a demographically imbalanced workforce, propped up by costly agency staff — and analysed the toll it would take if left unaddressed. Our re-engineered HR products would address this, but also shape and drive the County's economic development policy and support its over-arching aim of reducing socio-economic disparities in Lancashire.

An inter-connected public policy problem with many root causes like “worklessness” is a significant barrier that demands a creative response. Our ability to target different types of jobseekers and connect them with LCC managers demonstrates the flexibility of our model.

We overcame the biggest barrier – mainstreaming HR strategic excellence across the entire organisation – by convincing senior managers that our workforce solutions were cost-effective, met corporate goals and were an appropriate response to a real business need.

Summarise the key outcomes of the project, outlining the contribution made to the business since its introduction:

Apprentices: This is a corporate priority, not a token effort leading to recruitment of apprentices increasing from 16 to 268 in 2 years.

We re-designed our vacancy management process to allow apprentices to compete on merit for entry-level jobs, helping to retain a motivated workforce, and saving recruitment costs. We developed a “grow your own” culture by centrally recruiting up to 20 apprentices at a time, saving £120,000 a year.

WorkStart: To date, we have arranged placements for 60 individuals, with 43 securing sustainable employment.

"The reason I was on incapacity benefit meant it would be difficult for me to look for work. It's a label, despite the fact we have all sorts of anti-discrimination laws".
Stephen

Future Horizons: 18 young people out of a cohort of twenty, completed the pilot programme. Fourteen have gone onto secure an apprenticeship smashing our inspirational target of 50% securing an LCC apprenticeship

In 2007/08 we spent £7.4 million on agency staff. Our new workforce models will contribute toward £1 million in savings for the current financial year and our neutral vendor contract already reflects the decrease in demand for agency staff thanks to take-up of HR programmes by LCC managers.

| | Total Agency Costs | Total WorkStart Costs |
|------------------|-------------------------------------|--------------------------------|
| Cost for 30 days | 30-day placement = £1,838.16 | 30-day placement = £180 |

Re-positioning HR as a strategic consultancy available to all means we can align our practice with the Council’s vision. These savings allows us to offer more employment opportunities to disadvantaged groups and meet the Council’s social inclusion priorities.

While these objective economic successes are impressive, the biggest impact has been on a macro level. HR proved we can go far beyond our traditional role and help an organisation achieve its core goals.

We also produced promotional material to highlight our new programmes and used the Council’s internal and external channels to promote the schemes. We briefed managers to promote these new avenues for recruitment and disseminated all of our models to partners and external organisations.