

Leicester
City Council

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet**

08 March 2010

Proposals for a Graduate Retention Programme

Report of Director of Human Resources

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to outline the proposal for an overarching Graduate Retention Programme for Leicester City Council. It sets out the proposed framework for the programme and highlights the contribution it makes towards the One Leicester Strategy and the benefits it brings to the wider community.
- 1.2 The report also includes details of a Graduate Talent Pool Scheme under the Government's Business Innovation and Skills initiative and highlights other graduate retention schemes/activity currently in place at the Council.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet approve:
- (i) the proposal to establish a Graduate Retention Programme (*paras 3.3, 4.1.1 – 4.1.4*);
 - (ii) the proposal to establish a Graduate Trainee Scheme (*paras 4.3 & 4.4*);
 - (iii) the proposal to establish a Graduate Talent Pool (*paras 4.5 & 4.6*);
 - (iv) the proposal to source posts/placements from vacancies/projects currently covered by agency workers as a means of reducing agency spend (*paras 4.1.3 & 4.3.1*);
 - (v) the proposal to make offers of permanent employment on completion of the programme where appropriate (*paras 4.3.2*);
 - (vi) the recruitment and assessment process in accordance with the timescales provided (*paras 4.7.1 – 4.7.4*);
 - (vii) Note the benefits of the Programme (*para 4.2.1 – 4.2.5*)
 - (viii) the pay structure *Options* (*para 4.8.9/Appendix 2*)
 - (ix) the proposal to meet with Divisional Directors to discuss post allocation to the scheme (*para 4.10.1*)

3. SUMMARY

- 3.1 The One Leicester Strategy has as one of its seven priorities the need to 'Invest in Skills and Enterprise' to improve the city's economy and ensure people have the skills they need to take advantage of the prosperity new investment in Leicester will bring.
- 3.2 Historically graduates have tended to migrate to other cities that appear to offer more attractive employment and development opportunities. The current economic downturn has made it difficult for graduates to find even basic jobs. This is an exciting time for Leicester, especially with the ongoing inward investment and regeneration activity (e.g. Highcross, Curve, Abbey Meadows Science and Innovation Park etc). As one of the region's biggest employers it is important that we capitalise on the city's transformation by taking advantage of the emerging talent to be found amongst our graduates and to continue to build on the Council's reputation as an employer of choice.
- 3.3 The Graduate Retention Programme is designed to be the initial phase of a wider graduate retention strategy for the Council and will comprise a primary scheme – the Graduate Trainee Scheme and a secondary scheme – the Graduate Talent Pool.
- Graduate Trainee Scheme – is a practical professional development programme that seeks to attract and retain graduates in the city as well as helping to address our own areas of skills shortage as an authority.
 - Graduate Talent Pool – is a Government initiative set up by the Department for Business Innovation and Skills in July 2009. The primary aim of the scheme is to assist graduates to improve their employability via a number of routes.
- 3.4 In accordance with the Council's Redeployment Policy, all vacancies will go to the Redeployment Board in the first instance before being allocated to the scheme.
- 3.5 The report is due to be presented to Cabinet on 8th March 2010.

4. REPORT

4.1 Proposed Graduate Retention Programme

- 4.1.1 The proposal to establish a graduate retention programme in the current economic climate of financial cutbacks and the impact of such measures on employers may appear ill-timed. However, now more than ever, employers need to be creative and flexible in their approach to maintaining effective and efficient service delivery and the Council is no different. Increasingly, graduate schemes are being utilised amongst key employers to build high-performing and flexible workforces.
- 4.1.2 This proposal has been developed to reflect the One Leicester Strategy and the ethos of sustaining Leicester's community by retaining graduates from our universities. It is proposed that the scheme will work in partnership with Leicester, De Montfort and Loughborough Universities to source potential candidates and where necessary to extend it wider to ensure quotas are met. This will be one of many ways in which the Council will work in partnership with our universities to invest in the skills and enterprise agenda.
- 4.1.3 It is proposed to have a joined up approach between this Programme and the Agency Workers Project for the purpose of supporting divisions to achieve the 5.7% efficiency target. This will be done by sourcing posts/projects for the trainee scheme and the talent pool from

posts/projects currently resourced by agency staff, where possible, thereby realising savings based on the difference in the cost of procuring agency staff and the cost of internships/placements. Detailed information on costs is outlined in section 4.8. and at Appendix 2.

- 4.1.4 The Programme has the added benefit of contributing to efficiency savings across the Council.

4.2 The Benefits of the Programme

- 4.2.1 The Graduate Retention Programme has the potential to play a key role in supporting the Council to achieve significant savings and contribute to current and future efficiency targets. There a number of ways in which the programme could add value the Council.
- 4.2.2 The proposed Programme can be utilised to address the Council's current skills shortage and hard-to-fill posts. It offers flexibility when planning staffing requirements to meet short term needs e.g. specific time-limited or one-off project needs/tasks and frees up existing staff to focus on high priority work. Utilising graduates will reduce dependency on agency workers and negate the need to pay excessive agency worker costs, thereby reduce staffing costs.
- 4.2.3 There is also the added benefit of cost savings of between £281k to £321k per annum for 20 posts on the trainee scheme and savings ranging from £227k to £352k per annum for 20 talent pool placements (actual savings will depend on the preferred option – Appendix 2). The pay structure for the scheme does not include eligibility to the Local Government Pension Scheme, therefore the Council will not have to make provision for superannuation contributions. Further savings could be realised through advertising graduate placements through the universities at no cost to the Council.
- 4.2.4 Graduates bring with them a range of skills including cutting edge research methods, fresh ideas and ways of working which contribute to the development of a high performing workforce. Providing them with the opportunity to develop employability skills with the Council could reap the reward of graduates acting as ambassadors of the Council thereby contributing to the Talking Up Leicester Priority and promoting Leicester City Council as an employer of choice and the public sector as an attractive career choice.
- 4.2.5 The programme will serve to strengthen ties with universities, student bodies and other partner organisations. It also provides another platform for the establishment of a wider skills development programme for the Council e.g. talent management and align with future succession planning at the Council,

4.3 Graduate Trainee Scheme

- 4.3.1 The Trainee Scheme will be the main function of the Programme and will require the allocation of a minimum 20 posts. It is expected that these posts will be sourced from current vacancies across the divisions with particular emphasis on areas of skills shortage where possible. It will be targeted at recent graduates who have gained a first degree in the last 12 months. The recruitment process will be managed by the Employment Service Centre (ESC) and will include an initial filtering process followed by an assessment centre and interview. Once established, the scheme will be managed and delivered by the Council's City Learning Team.

4.3.2 The duration of the scheme will be for 1 year and during this time graduates can expect to participate in a rigorous programme of personal and professional development. This will include an ongoing assessment programme as outlined in the framework at Appendix 1. Successful completion of the scheme may lead to the offer of a permanent position. Any such offer will require the individual to have satisfactorily completed the final project and assessment and be subject to the Council's normal HR procedures.

4.4. The Trainee Scheme Framework (See Appendix 1 & 1a)

4.4.1 The scheme will provide participants with structured opportunities for learning and development, ongoing support via a mentoring programme, as well as day to day support. See further detail of the framework at Appendix 1.

4.4.2 A key feature of the scheme will be the performance management framework which will ensure ongoing monitoring of performance against a clear set of standards and objectives including a final assessment. The outcome of individual performance against objectives will play a major role when determining whether or not to offer permanent positions to graduates where feasible.

4.5 Graduate Talent Pool

4.5.1 The Graduate Talent Pool is a Government Initiative set up by the Department for Business Innovation and Skills in July 2009, to support its strategy: to achieve the vision to build a dynamic and competitive UK economy by creating the conditions for business success; promoting innovation, enterprise and science, and giving everyone the skills and opportunities to succeed. The aim of the scheme is to assist graduates to improve their employability via a number of routes including internships. Leicester City Council is now registered on the Scheme.

4.5.2 Primarily, the Graduate Talent Pool Internship scheme seeks to help match new and recent graduates (with at least a degree or foundation degree) to organisational skills requirements. It offers a flexible method to attract talent to the Council for a specified period of time or to support a specific project whilst offering real work experience to the interns.

4.5.3 The duration of internships range from 3 months to 6 months (but can be shorter than 3 months) and is dependent on the needs of the organisation. This arrangement provides flexibility and will enable the direct matching of placements to time-limited projects.

4.5.4 The graduate talent pool will not be subject to the Council's Redeployment Policy. This is due to the short term nature of placements and the likelihood that all placements will be sourced from temporary time-limited projects.

4.6 The Talent Pool Framework (See Appendix 1b)

4.6.1 The scheme will provide participants with structured opportunities for developing transferable skills and knowledge and to gain valuable work experience in a controlled and supportive environment.

4.6.2 The scheme will require each placement to have clear objectives of what needs to be achieved, the type of pre-placement skills and knowledge required from the graduates, including agreed timescales to enable accurate matching.

4.6.3 It is proposed that the scheme will be managed by the Employment Service Centre (ESC). A clear structure will be put in place setting out:

- How the matching service will operate
- Clear selection criteria
- Timescales for stages of the process
- Project specifications for placements, to include clear objectives
- Generic intern profiles and where needed specific intern profiles
- Pay structure

4.7 Recruitment and Selection

- 4.7.1 All vacancies allocated to the Trainee Scheme will go to the Redeployment Board in the first instance and will be open to internal and external applicants, the scheme will also be advertised in the internal Jobs Bulletin to allow “in house” graduates the opportunity to apply as well as those from outside the council. External candidates would primarily, but not exclusively, be sought from Leicester, De Montfort and Loughborough Universities. Wider advertisement could also be undertaken if required.
- 4.7.2 Recruitment to the scheme will be via a rigorous process which will include an initial filtering process against the agreed criteria, followed by an assessment centre and a competence based interview process. Subject to Cabinet and SMB approval, the proposed timescales for recruitment are:

Date	Activity
End March 2010	Advertise posts
Mid - End April 2010	Agree recruitment process Arrange assessment centre
May 2010	Conduct interviews/assessments
June/July 2010	Successful applicants commence employment and scheme becomes operational.

- 4.7.3 Sourcing of interns for the Talent Pool will be via the Graduate Talent Pool Matching service. Matching of graduates to profiles/projects will be by way of a specified initial filtering process which matches graduates to the project/placement description. The scheme provides an option to set 10 key questions all of which must be answered correctly before being allowed to apply for an internship. Successful applicants will then be subject to a structured LCC selection process.
- 4.7.4 There are no published deadlines to the scheme enabling selection of graduates to take place on a rolling basis as and when required. The scheme is open to all recently qualified graduates from UK universities. Applicants from countries within the EEA can apply subject to having the correct immigration documents (visas, work permits etc) permitting them to stay and work in the UK and meeting the criteria of the Graduate Talent Pool Scheme.

4.8 Posts and Pay Structure

- 4.8.1 Job type and pay will need to be at a level that will ultimately attract and retain graduate candidates. Equally, the Council will benefit from savings between salary paid whilst on the scheme and actual salary for the post. It is proposed that the scheme will be made up of posts at SC5 - PO1 (£19,621 - £29,236) however the scheme salary will range from Scale 2 - 4 (SCP 12: £15,039 – SCP 19: £17,802). This is because on entry to the scheme graduates are unlikely to have the level of knowledge and experience required for job. It is hoped that by the end of the programme year, they will have developed the necessary skills and if successful, could be considered for a permanent position, (normally in the role which

they had been recruited against, subject to suitability) which would see them move to the low point of the actual scale/grade for the post.

4.8.2 As an equal opportunity employer it is important to ensure, that where possible, there is parity and equity between schemes especially in relation to pay, for this reason a number of pay options are proposed.

4.8.3 There are a number of existing graduate schemes across the Council, notably these are:

Chartered Institute of Public Finance & Accounting Scheme: is a 3 year scheme which is based on a 3-part qualification route. The salary for the scheme ranges from Scale 4 to SO with a corresponding salary range of £17,161 - £27,052. Progression through the pay structure is subject to successful achievement of each part of the qualification. This is a well established scheme which has its own dedicated mentoring and performance management programme.

Social Worker Scheme: the Council does not currently subscribe to the Social Worker Scheme. However it does operate a social work-related Sponsored Student Scheme. The scheme is mainly aimed at internal staff and will accept external students (e.g. from partner organisations). There is no need to be a graduate and those on the scheme continue to earn the salary for the substantive post regardless of the grade.

4.8.4 It is necessary to acknowledge the different requirements of the schemes (qualifications, academic achievement, work experience, length of placements etc.) to justify the difference in salary levels. Nonetheless, a pay structure that reflects these differences is required.

4.8.5 It is proposed to have a tiered pay structure that reflects the level of academic achievement a graduate has. For example, undergraduates will be paid at tier one and graduates paid at tier two. The table below outlines the proposed tiered approach for both the graduate talent pool and the graduate trainee scheme for consideration. Further detailed information is provided at *Appendix 2*.

4.8.6 Tiered Pay Structure

Tier One – Trainee Scheme Undergraduates & Graduate Talent Pool	Tier Two – Graduates – Graduate Trainee Scheme
<p>Scale 2/3 (SCP 12 - 14) £15,039 - £15,725 pa (pro rata)</p> <p><i>Tier One acknowledges the further development required to reach graduate status and/or the short duration of talent pool placements which limits the Council's return on investment (ROI).</i></p> <p><i>Pay may be based on length of assignment.</i></p>	<p>Scale 3/4 (SCP 16 – 19) £16,440 - £17,802</p> <p><i>Tier Two acknowledges the completion of a degree and the skills and knowledge graduates bring with them.</i></p> <p><i>Pay progression will be linked to the achievement of milestones/targets.</i></p>

4.8.7 The options for tiered pay structure are:

- a) Tier One – undergraduates and Graduate Talent Pool candidates to be paid at Scale 2/3 or to achieve higher savings, to be paid the National Minimum Wage for the duration of the placement.

- b) Tier Two – graduates on the trainee scheme to be paid either the National Minimum Wage for the first 12 weeks then SC3/4 for the rest of the duration (40 weeks) or SC3/4 for the total duration (52 weeks). Appendix 2 provides further detail of potential savings.

4.8.8 It will be necessary to have a defined pay structure for the various schemes to ensure transparency and consistency in agreeing rates of pay. All placements and associated training needs will be funded from salary savings/staffing budgets within the relevant divisions. Pay progression during the programme will be closely linked to performance.

4.8.9 In the interest of parity and equity and balancing the need to be financially prudent, it is recommended that the following options (which present the highest savings) are approved for implementation:

- Tier One – Option (b): National Minimum Wage for the duration of the placement
- Tier Two – Option (a): First 12 weeks at National Minimum Wage and 40 weeks at Scale 3/4

4.9 Core Training Programme for Graduate Trainee Scheme

4.9.1 City Learning will deliver a robust training and development programme as outlined below.

Induction:	To integrate successful applicants to the culture and ways of working at the Council.
Generic Skills	To develop skills in the following areas: <ul style="list-style-type: none"> • Report writing • Managing meetings • Supervisory skills • Effective presentations • Time Management • Other relevant skills
Mentoring Programme	Applicants will be allocated a mentor who will provide guidance and support during the lifespan of the scheme to develop operational and strategic business acumen.
Work Experience	To focus on developing sound operational knowledge and understanding of the Council. This may involve spending time in other service areas.
Vocational Qualification (where applicable)	To facilitate further development of skills in work-related areas

4.9.2 Mentoring is an integral part of the trainee scheme and it is proposed to identify a minimum of 10 mentors whose role it will be to provide guidance to graduates during their time on the scheme. Ideally mentors will be at head of service level.

4.9.3 Where vocational training is required, this will be funded by savings made on the substantive salary for the post

4.9.4 Due to the short-term nature of the talent pool, the full core training programme will not be extended to interns. There will be a basic development programme which will include a corporate induction, line manager mentoring and on the job work experience.

4.10 Next Steps

4.10.1 Subject to Cabinet and Strategic Management Board approval, Divisional Directors will receive a briefing paper outlining the scheme, closely followed by a meeting to discuss the options and to secure allocation of suitable posts to the scheme.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications (See Appendix 2)

5.1.1 The proposed scheme has clear financial benefits in addition to the training opportunities it provides and the potential for the creation of a talent pool. The costings set out in Appendix 2 show that Tier One opportunities which will be of a 6 month maximum duration can reduce salary costs by between £6k and £10k per placement, which over a 12 months period for 20 placements could generate salary savings of between £227k and £352k per annum depending the pay structure adopted.

5.1.2 Tier Two placements have been costed at a slightly higher rate to recognise that some placements may be at a more demanding level than others. Therefore, salary savings are less but still significant and for 20 placements could be between £281k and £321k, again depending on the pay structure adopted.

5.1.3 These saving are however mitigated by the cost of setting up, recruiting to and generally running the scheme. These have been identified as £3k for recruitment and £7k (existing staff time) for mentoring. These additional costs are relatively marginal compared with the potential savings and opportunities that can be achieved.

5.2 Legal Implications

5.2.1 There is the potential for indirect discrimination claims to be made in respect of the scheme. For example, it could be argued that the scheme provides a better opportunity for men and younger individuals. This argument, however, lacks strength as graduates are increasingly diverse. Even if this were not the case and an argument of indirect discrimination succeeded, it is likely that the scheme could be objectively justified which would defeat any such claim.

6. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

- Building Britain's Future: New Industry, New Jobs, April 2009. (Dept for Business Innovation and Skills)
- Graduate Talent Pool, (Dept for Business Innovation and Skills)
- Graduate Trainee Scheme Report, 27th October 2009
- Agency Worker Review Report, September 2009

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Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

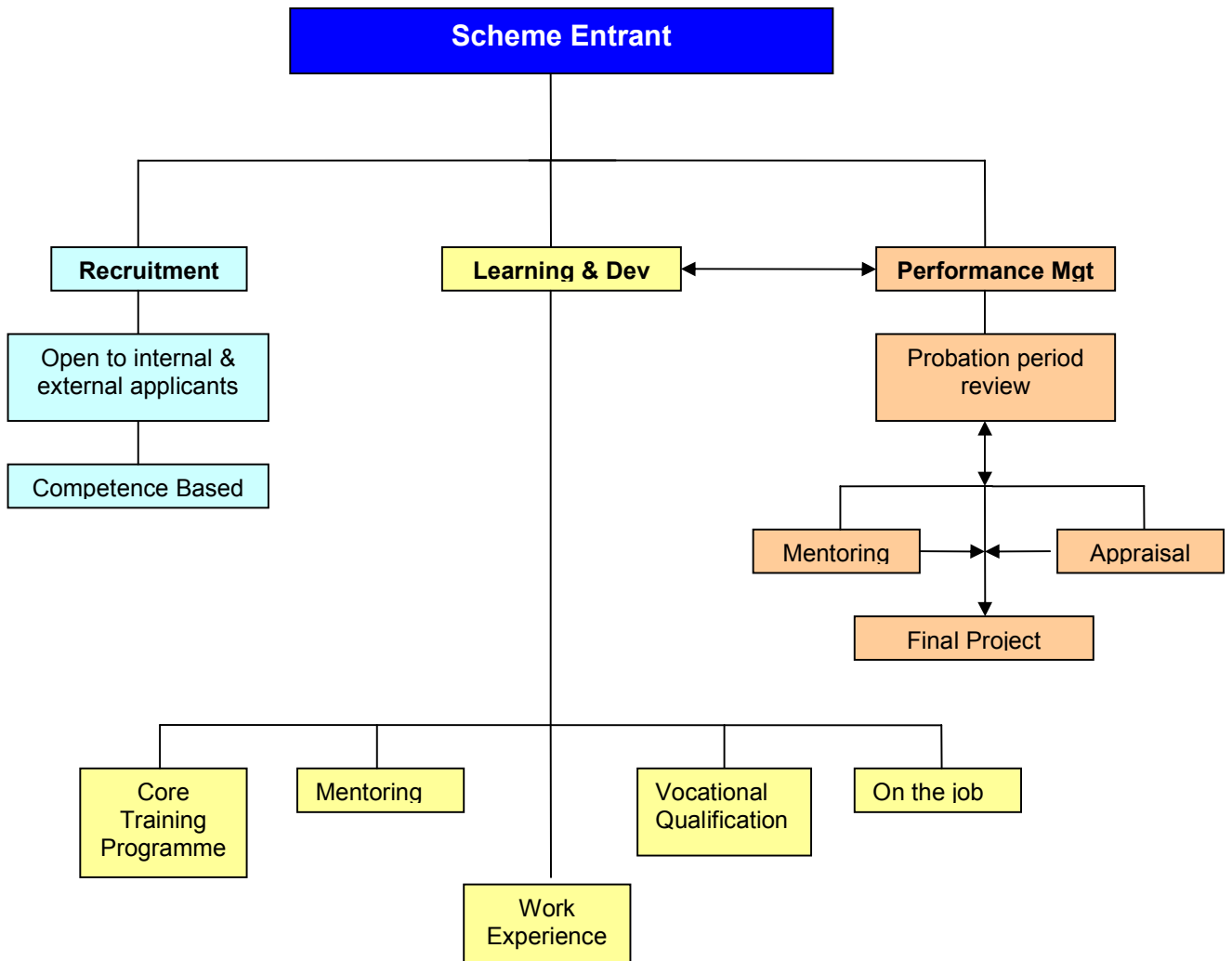
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Recruitment & Selection	<p>Open to internal and external applicants who meet the entry criteria.</p> <p>Recruitment will be competence based and include a formal interview and assessment process.</p>	<p>Applicants will be assessed for competence in the following areas:</p> <ul style="list-style-type: none"> • Working with others /collaboration • Managing own work • Planning and organising • Developing own capability • Persuasive communication • Analytical skills • Motivation for learning • Driving for results • Presenting themselves professionally
Core Training & Development Programme	Induction:	To integrate successful applicants to the culture and ways of working at the Council.
	Generic Skills	<p>To develop skills in the following areas:</p> <ul style="list-style-type: none"> • Report writing • Managing meetings • Supervisory skills • Effective presentations • Time Management • Other relevant skills
	Mentoring Programme	Applicants will be allocated a mentor who will provide guidance and support during the lifespan of the scheme to develop operational and strategic business acumen.
	Work Experience	To focus on developing sound operational knowledge and understanding of the Council across all/relevant service areas.
	Vocational Qualification (where applicable)	To facilitate further development of skills in work-related areas
	Probationary Period Review	Assess individual performance / ongoing suitability for the placement in relation to business needs.

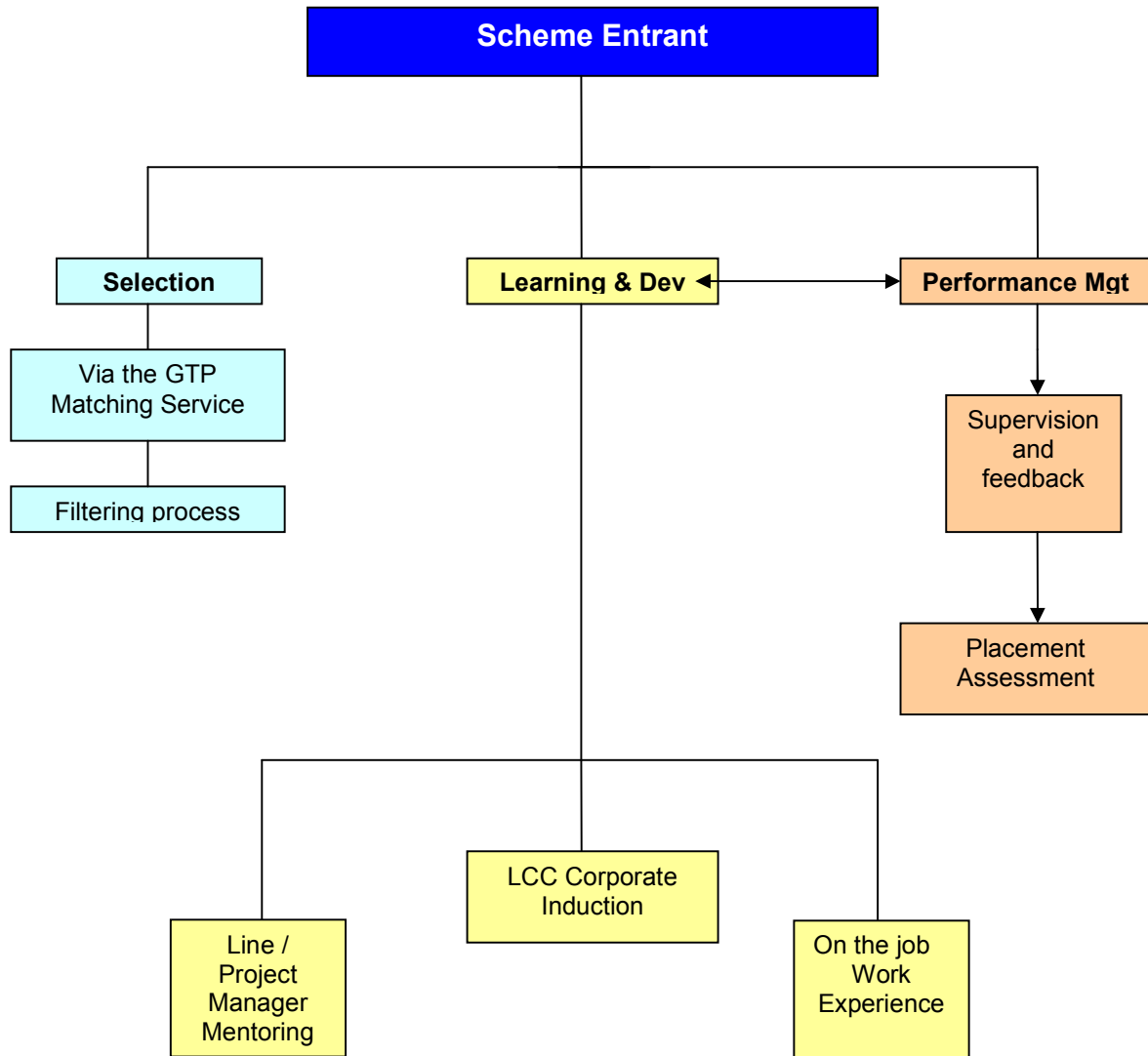
Performance Management	Appraisal	A framework that provides for: <ul style="list-style-type: none"> • Target setting • Reviewing progress against targets • Provide feedback on performance • Identify areas for development
	Mentoring	Provide structured support on specific areas of work and to nurture personal and professional development.
	Final Project	The placement will culminate in a final work related project which is likely to take the form of an Action Learning Set.
	Final Assessment	A final assessment to establish suitability to transfer to a permanent role.

LEICESTER CITY COUNCIL GRADUATE RETENTION PROGRAMME FRAMEWORK

LCC Graduate Trainee Scheme Framework Outline



LCC Graduate Talent Pool Framework Outline



Graduate Retention Programme Costings

The preferred option for a graduate retention programme is option one. Clearly the scheme has financial benefits in that both tier one and tier two will have a differential between the grade of posts proposed to be identified as suitable for the scheme and the proposed level of remuneration for graduates and undergraduates.

The proposals are costed below. All costings are undertaken at the top of the grade and employer's superannuation contributions are excluded for the proposed trainees.

1. Tier One – trainee scheme undergraduates & graduate talent pool

The assumption is that the maximum length of an assignment is 6 months, with posts being at the level of scale 5/6.

(a) Pay at Scale 2/3

Existing post = £14,936
(being Scale 5/6 + on-costs x 6 months)

Trainee = £ 9,257
(being Scale 2/3 + on-costs x 6 months)

Saving = £ 5,679

(b) Pay at minimum wage (£4.83 for 18-21) (£5.80 for 22+)

Existing post = £14,936
(being Scale 5/6 + on-costs x 6 months)

Trainee 18-21 = £ 5,111

Trainee 22+ = £ 6,138

Saving = £ 8,798 to £ 9,825

2. Tier Two – graduate trainee scheme

The assumption is that the maximum length of an assignment is 12 months, with posts being at the level of scale 5/6 or SO/PO.

(a) 12 weeks national minimum wage (£5.80), 40 weeks at scale 3/4

	Scale 5/6	SO/PO
Existing post = (including on-costs)	£29,872	£37,814
Trainee = (being Scale 3 + on-costs)	£ 16,816	£18,759 (being Scale 4 + on-costs)
Saving =	£13,056	£19,055

(b) 52 weeks at scale 3/4

	Scale 5/6	SO/PO
Existing post = (including on-costs)	£29,872	£37,814
Trainee = (being Scale 3 + on-costs)	£ 18,513	£21,039 (being Scale 4 + on-costs)
Saving =	£11,359	£16,775

3. Summary

The following table demonstrates the range of salary savings that could be achieved per annum by implementing this scheme whilst also providing training opportunities and a future talent pool. The assumptions are that up to 20 posts could be offered at tier one and up to 10 posts at tier two.

	Tier 1 – Talent Pool	£
	<i>Assumption = 20 posts x 6 months x twice per year</i>	
1a	Pay at scale 2/3	227,160
1b	Pay at minimum wage	351,920

	Tier 2 – Graduate Trainee Scheme	£
	<i>Assumption = 10 posts @ sc3, 10 posts @ sc4 x 12 months</i>	
2a	12 weeks national minimum wage (£5.80), 40 weeks at scale 3/4	321,110
2b	Pay at scale 3/4	281,340

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14.01.10