

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	13 March 2019
Title:	Brexit – Workforce Implications and Considerations for Hampshire County Council
Report From:	Director of Corporate Resources

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1. Recommendation

- 1.1 EHCC are asked to note the work underway to ensure the Council remains sighted on the potential impact of currently available information regarding Brexit and the mitigations being put in place.

2. Summary

- 2.1. A paper was provided to EHCC in July 2018 outlining the broad implications that the UK uncoupling from the EU, as a result of Brexit, may have on the workforce at a national level and on Hampshire County Council.
- 2.2. At the time of writing, and in light of the current Brexit position, this paper builds on previous information, with a more focussed look at the workforce in Hampshire County Council, Hampshire schools and the potential impact of Brexit.

3. Timeline and roles impacted

- 3.1. The previous paper, provided to EHCC in July 2018, identified that the types of jobs migrant workers perform in Hampshire County Council varies and that EU and non-EU workers are primarily recruited into shortage occupations. For Hampshire County Council and schools in Hampshire (regardless of governance status) shortage occupations are:
 - Teachers – particularly in secondary schools in all subjects but especially Maths, Science, Modern Foreign Languages, Business Studies and Computing;
 - Nurses, care assistants, social workers;

- Engineers;
Low skilled workers such as cleaners, catering, domestics and laundry staff.

3.2. The following timeline has been provided by the government and outlines the indicative key dates and milestones, and which may be helpful in setting the context for this paper:

29 March 2019	UK ceases to be a member of the EU at 11.00pm
March 2019	Application scheme for settled status opens
31 December 2020	End of transition period – free movement continues until then
31 December 2020	Any new arrivals from the EU must meet new rules for EEA nationals (yet to be determined)
30 June 2021	Deadline for applications for ‘settled status’ in the UK from EU citizens (see below)

4. Engaging with the workforce

- 4.1. Some staff may, understandably be nervous and unsettled and it is therefore critical that we initiate and maintain regular engagement; providing information, assurance and support where we can.
- 4.2. A communications plan has been developed which has included, providing to staff, a set of FAQs, fact sheets, links to relevant government sites and regular updates from the Chief Executive and Directors.
- 4.3. The most recent communication, in line with government information at the time, provided information to staff about the actions they may need to take if they wish to secure settled status and assurance that the Council would reimburse the £65 application fee that is required of applicants in applying for this. The Prime Minister has recently confirmed that when the scheme is fully opened in March / end of March the Government will waive the registration fee for all applicants; a further communication will update staff to this effect.
- 4.4. It is interesting to note that the number of contacts or queries received by staff have been low.
- 4.5. The requirements for individuals, based on current information, are outlined below:
 - EU citizens living in the UK continuously for 5 years (“continuous residence”) will be eligible for “settled status” which will entitle EU people to continue to live and work in the UK after 31 December 2020.
 - To apply for settled status proof of ID and of residence in the UK will be needed. The proof of residence could be a National Insurance number or demonstrated through the tax paid through work or benefits received.

- EU citizens with less than 5 years continuous service when they apply can still apply to remain in the UK and will generally be provided with ‘pre-settled’ status which allows people to stay for a further five years. Once five years continuous residence has been achieved people can then apply for settled status. An application fee of £65 will be applicable to applicants, for which the Council has agreed to re-imburse, although the Prime Minister has recently confirmed that when the scheme is fully opened in March / end of March the Govt will waive the registration fee for all applicants.
- 4.6. A working group has been set up to include senior officers from across the Council and represents all departments. The group will play a key role in ensuring that the latest developments associated with Brexit are considered, that any likely impact can be planned for and that that relevant communications go out to staff in a timely and informative manner. The group will also, through local channels, be able to gather intelligence from the workforce and factor this in to the wider communications and activities plan.

5. The workforce – nationality profile

- 5.1 The report to Cabinet referenced that of the 12,762 staff employed (excluding schools) an estimated 322 staff were non-UK EU nationals.
- 5.2 This number is estimated as prior to February 2018, an employee was unable to record their citizenship within the SAP database. Given this, we have been unable to quantify the number of non-UK EU employees or the roles they occupy.
- 5.3 Following the rollout of the new recruitment package (Success Factors) in January 2018, an employees citizenship can now be recorded and a snapshot sample of new recruits for the period February 2018 to mid January 2019 shows the following breakdown of UK; EU national; and non-UK non EU national employees.

New Recruits: February 2018 – Jan 2019							
	Adults Health and Care	CCBS	Childrens Services	Corporate Services	Economy Transport & Environment	Grand Total	% of new recruits
GB01 (UK National)	321	532	302	263	67	1485	92.87%
GB02 (EU National)	16	12	13	7	2	50	3.13%
GB03 (Non UK or EU National)	33	11	10	9	1	64	4.00%
Grand Total	370	555	325	279	70	1599	100%

- 5.4 The data above shows that 3.13% (50 of 1599) of those recruited to during this period are EU nationals. Of these 50 EU recruits, 23 filled hard to recruit to roles such as; care assistants, cooks, catering assistants and social workers. A mixture of less hard to fill roles were filled by EU nationals,

including, for example, project management, bilingual, library, warehouse, school patrol and FM assistants. Whilst we do not know if this is representative of the whole workforce, it is a helpful indicator and would support local intelligence.

- 5.5 As referenced earlier, the above data is a sample based at a point in time and may or may not be completely typical of recruitment patterns. This will continue to be monitored and the data tracked in order to continue to identify any trends or specific parts of the organisation and/or roles that particularly attract EU nationals.

6 Recruitment and retention challenges

- 6.1 It is evident that both Adults' Health & Care and Children's Services have roles which are difficult to recruit to and therefore there is a level of reliance on the EU employment market. Mitigations to meet these challenges are explained further in the paper.
- 6.2 Within CCBS, HC3S EU nationals account for approximately 2% of all staff. This equates to around 35 to 40 catering staff and whilst this may not seem proportionately high in number, the service typically runs with a vacancy factor of circa 50 – 60. Given this, there is likely to be a diminished pool of potential employees after the Brexit transition period has passed. Further areas of potential focus reside around Vehicle Technicians and Facilities Management. There are known EU workers fulfilling lower skilled roles such as cleaners and given that this is an occupation of regular turnover, this area is monitored closely.
- 6.3 In addition to the data gathered above, and whilst not a significant risk as a result of Brexit, within ETE there is a potential risk of not being able to recruit to Transport Planning, Development Planning, Engineering and lower level technical roles, such as highways technicians to undertake surface works on the highways. Discussions are underway with strategic partners to consider future options, particularly as this may be exacerbated by Brexit given the existing UK skills shortages and the fact that the Construction Industry relies on EU nationals for labour and skills, especially in London and the South East.
- 6.4 The roles filled by EU nationals within Corporate Services are not considered to be hard to recruit roles, however there is high attrition in parts of the business (e.g. IBC), and there may be a small, though manageable impact if available labour is reduced.

7 Interventions to address the recruitment issues

- 7.1 The 2017-18 Workforce Report identified a number interventions that are underway to attract and retain staff to its hard to fill roles; **and not necessarily as a direct result of Brexit.**
- 7.2 That said, as noted above, there is some reliance on accessing non-UK employment markets to fill roles. As Brexit situation remains unclear, the position will be continually reviewed in order to ensure that initiatives in place

are effective and to determine what else can be done to minimise any risks to the Council of not being able to fill vacancies and deliver services. Some of the key interventions and progress being made are summarised below:

7.3 Interventions – Adults’ Health and Care

- 7.4 There continues to be challenges in recruiting qualified nurses and as we know, this is a reflection of national challenges. Evidence suggests that non-UK nursing staff are typically sourced from non EU countries such as India, given this, it is not anticipated that the uncoupling with the EU will have a significant impact.
- 7.5 A higher proportion of Care Assistants, which have recruitment and retention challenges, are drawn from the EU employment market, however this has been difficult to quantify as the data was not collected prior to February 2018. Work has been underway with the NHS and Adults Health and Care to improve transferability of employees from one organisation to another in order to aide movement between organisations and therefore speed up time to hire. This is being done by passporting the statutory and mandatory training that employees have successfully completed together with DBS checks which means these do not need to be repeated in the new employing organisation. This is likely to be embedded in the NHS first, as is the creation of an internal agency/bank, so that staff can be shared across the STP footprint ie Isle of Wight, Portsmouth, South/South East Hampshire and Southampton.

7.6 Interventions - Children’s Services and Schools

- 7.7 The primary roles which are hard to recruit to in Children’s Services are Social Workers. There is a lot of work to support this recruitment and retention, the biggest positive impact being from the launch of the Graduate Entry Training Scheme for NQSWs – approximately 90 new staff have been recruited through this route to CSD this year. However, it is not anticipated that Brexit will impact this as very few Social Workers apply from the EU nor are employed from the EU. There is, however, an increase in non EU applications (primarily from Africa).
- 7.8 Schools continue to have significant challenges recruiting teachers and this is reflective of the national challenges, particularly for senior schools. Schools do not record the citizenship of their employees so it is not possible to provide data but it is known that a high number of Modern Foreign Languages Teachers, for instance, are drawn from the EU employment market of France, Spain and Germany. There is concern that it will become more difficult to attract teachers from these EU countries after the transition period of Brexit. Schools are working with agencies to source overseas teachers from both EU and non EU countries to help to address the shortage of available UK Teachers.
- 7.9 Both Adults’ Health & Care and Children’s Services acknowledge that it is more difficult to recruit in the north of the county for roles such as care workers and social workers. However, this is not necessarily likely to be exacerbated by the implications of Brexit.

7.10 Interventions - CCBS and ETE

7.11 The initiatives which have been developed in CCBS and ETE are in areas of shortage occupations and as a consequence are aimed primarily at the engineering and surveying professions in order to 'grow our own' and support a constant talent pipeline. There is known to be a small number of EU citizens currently employed within our graduate cohorts and given the opportunity to apply for settled status, there is little concern about attrition increasing as a result of Brexit for existing employees. However, given the national picture and scarcity of skills in these professions which may be compounded further as a result of Brexit, this remains a critical area of focus for both departments.

7.12 Both CCBS and ETE continue to work on general ongoing recruitment initiatives such as:

- a Scholarship Scheme with the University of Portsmouth
- Graduate Trainees (Generalist and Specialist) – whilst a reasonably small cohort are directly employed, some of these are believed to be from non EU countries e.g. India and one from an EU country. Opportunities for Graduate Trainees are advertised on the University websites which attract a wider audience than just the UK.
- Civil Engineering Apprenticeships, Levels 3 and 4
- Chartered Surveying Degree Apprenticeship

7.13 The above initiatives are progressing well and do attract people from EU and non EU countries. This will therefore need to be kept under review as it is not known whether Brexit will have a significant impact on future recruitment to these interventions.

7.14 Interventions - Corporate Services

7.15 The main retention challenges are for Shared Services administrative roles, with work underway to increase retention levels. This includes development opportunities for individuals together with team events to engender a culture of 'team' and creating a sense of value and purpose with our customers at the heart of roles. In addition, staff are asked to help with recruitment by recommending friends and family in return for an award for successful appointments. These initiatives are proving successful in being able to recruit and retain employees and it is not anticipated that decoupling from the EU will have a direct impact on this strategy or the recruitment challenges.

8. Agency – Connect2Hampshire

8.1 Following the decision by Cabinet in September 2018 to create a new Joint Venture (Connect2Hampshire) for the delivery of agency provision to HCC departments, significant progress has been to enable a planned go-live of 1st April 2019.

8.2 The set up and way in which the new agency will operate will enable the council to have a high degree of control and influence and strategically plan

for the utilisation of agency workers to best meet workforce requirements and mitigate any risks.

- 8.3 Work is underway with Connect2Hampshire to consider the future recording and reporting requirements of its agency workers e.g. nationality. This will be important in gaining an understanding of the agency workforce composition and factoring into workforce strategies.
- 8.4 A critical role of Connect2Hampshire will be to ensure that agency workers are of the right calibre – in terms of qualification, skill set and perhaps more importantly the appropriate behaviours and attitudes – particularly for those workers who will be in roles that have a direct impact on service users, for example in care or social work roles.
- 8.5 Significant work is underway with managers across the departments and the team in Connect2Hampshire to ensure a deep understanding of the services and calibre of worker required as well as the turnover rates and expected demand.
- 8.6 It remains unclear what the impact of Brexit will be in filling roles within, particularly, Adults' Health & Care, Children's Services and CCBS HC3S. With the exception of HC3S, we also know that there is a high use of agency staff in these areas. Given this, work is underway to ensure continued access to staff through the new agency and 3rd party suppliers with a focus on ways to attract and retain high performing staff.
- 8.7 Recruitment campaigns and the onboarding of agency workers will continue to include key messages to potential candidates such as:
 - Competitive rates of pay
 - The ability to work flexibly to balance work and individual circumstances
 - 'Employees' and 'agency workers' are equally valued and will receive appropriate training and development
 - Agency workers will be able to genuinely gain a sense and be part of a team, with access to technology, learning, team events, support networks and resources
 - The potential to become a permanent employee of the council
 - The value of the work undertaken has a significant impact on the wellbeing and provision of services to residents of Hampshire
- 8.8 Connect2Hampshire will engage with all candidates, be able to 'sell' Hampshire and will support a sense of belonging. In taking the approach described, it is envisaged that we will be able to more easily attract and retain agency workers, convert agency workers to employed status where appropriate, and importantly, avoid situations where we are provided with poor quality agency workers who move across sites.

9 Conclusion

- 9.1 At the time of writing, it is not yet known whether, or how, EU citizens will be able to enter the UK employment market after the transition period, but

current commentary suggests it will be based on a permit system similar to non EU citizens – ie based on skills and employability not based on their country of citizenship.

- 9.2 The time frames of the 'uncoupling' of Britain from the EU mean that free movement will continue until the end of 2020 providing the Council with some time to progress the recruitment and retention interventions and address the employment challenges.
- 9.3 Recruitment data since February currently suggest that the number and proportion of people gaining employment from the EU is relatively low (3.4%) with around half of these in roles that are difficult to recruit to.
- 9.4 The LGA paper "Brexit – Moving the Conversation On" refers to the critical need to ensure a steady skills supply for the sustainability of essential public services. If the employment pool is diminished through fewer people available from the EU market then more focus will be on growing, developing, engaging and retaining our own employees. We will therefore continue to build ensure we place the Council as an employer of choice through ongoing initiatives such as:
 - Attraction of the best talent from a wider range of potential labour markets
 - Values based recruitment
 - Development of existing employees through eg: scholarship schemes, graduate schemes, apprenticeships and leadership development programmes
 - Engagement of employees through good working practices and valuing staff with respect and dignity.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	No
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
Workforce Report – July 2018	EHCC
Brexit – Workforce Implications and considerations	EHCC

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- 1.1.1 The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- 1.1.2 Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 1.1.3 Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by proposals in this report.

2. Impact on Crime and Disorder:

2.1. Not applicable.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? Not applicable.
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Not applicable.