

<b>Agenda Item No:</b>	<b>5</b>	
<b>Committee:</b>	<b>Employment Committee</b>	
<b>Date:</b>	<b>30 October 2023</b>	
<b>Report Title:</b>	<b>Planning Team Recruitment and Retention – Updated Market Supplement Report</b>	

**This item comprises EXEMPT INFORMATION at Appendix 1 which is not for publication by virtue of Paragraphs 1 of Part 1 of Schedule 12A of the Local Government Act, 1972 (as amended).]**

## **11 Purpose / Summary**

- 1.1 To provide Employment Committee with an updated market supplement scheme to review and agree for new and existing staff in the planning team following discussion and direction from Members at the Employment Committee on 6<sup>th</sup> October.

## **12 Key Issues**

- 2.1 Employment Committee considered a report at its meeting on 6<sup>th</sup> October in regard to the introduction of market supplement for the Planning Team.
- 2.2 The 6<sup>th</sup> October report is appended and should be read in conjunction with this report to remind Members of the detailed reasons that were set out as to why market supplement was being considered for the Planning Team.
- 2.3 At its meeting on 6<sup>th</sup> October, Members discussed whether the scheme as presented went far enough in providing for a remuneration package that was going to attract high quality candidates and ensure retention of existing staff.
- 2.4 The original proposal for new staff in regards to market supplement was £5,000 on appointment and a further £5,000 at the 3<sup>rd</sup> year anniversary of appointment. Following feedback from Members and further discussions with the Chairman, the revised proposal for new staff for Members to consider is for a 10% of base salary market supplement to be applied to all existing vacancies in the planning team. The suggested market supplement to be applied to existing staff is contained at confidential appendix 1.
- 2.5 This new proposal represents a saving on the original proposal.

## **3 Recommendations**

- 3.1 To approve the introduction of market supplement payments for new staff within the planning team at a cost of £50,500 in Year 1 and £50,500 in Year 3 dependent on the timing of new starters.
- 3.2 To approve the introduction of market supplement payments for existing staff as set out in Appendix 1.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Councillor Dee Laws, Portfolio Holder for Planning Councillor Chris Boden, Leader of the Council and Portfolio Holder for Finance
Report Originator(s)	Paul Medd, Chief Executive Carol Pilson, Corporate Director Peter Catchpole, Corporate Director Nick Harding, Head of Planning
Contact Officer(s)	Paul Medd, Chief Executive Carol Pilson, Corporate Director Peter Catchpole, Corporate Director Nick Harding, Head of Planning Sam Anthony, Head of HR
Background Papers	Employment Committee report and minutes – 6 <sup>th</sup> October

## **1 BACKGROUND AND INTENDED OUTCOMES**

- 1.0 The Planning team have several long-standing vacancies across planning, enforcement, tree services, and now within the Local Plan team. Members and Officers have been exploring what other means are available to attract candidates to apply for planning jobs within the Council. Many of these vacancies have been open for a significant period of time and are being covered by agency staff, consultants and Capita at a significant cost to the Council. This is hampering performance in the team due to the turnover of staff and agency staff, and the additional time this takes to manage and administrate.

## **12 REASONS FOR RECOMMENDATIONS**

### **RECRUITMENT AND RETENTION**

- 2.1 The Council recognises that set against this very difficult national recruitment landscape, that a step change in our approach needs to be considered to attract candidates to these roles.
- 2.2 Alternative ideas to boost the Council's recruitment campaign includes:

- partnership with the local government press, for example, the Municipal Journal, to market the Council's vacancies in the national press to attract more candidates;
- create a special section on the FDC website to market and promote planning vacancies;
- engage a recruitment consultant to target prospective candidates and proactively introduce them to the FDC vacancies;
- ensure all benefits to working at FDC are proactively advertised including the Council's One Team Culture;
- consider further financial incentives to be attached to these posts in the form of market supplement.

2.3 Market supplement has been introduced by some neighbouring and competing Councils which means that FDC could be now lagging behind in terms of the financial package it offers potential candidates. Market supplement can be characterised as a series of payments on top of salary that is taxed which encourages loyalty to the organisation through staged payments at intervals which are repayable to the Council if a member of staff leaves prior to the agreed period of time coming to an end.

2.4 Recent benchmarking of salaries shows:

<b>Authority</b>	<b>Level</b>	<b>Salary</b>	<b>Additional Financial incentives</b>
<b>Fenland District Council</b>	Planner	<b>£23,620- £32,020</b>	None at present
	Senior Planner	<b>£32,020 - £46,549</b>	
<b>Local District Council</b>	Planner	<b>£33,864 - £40,167</b>	None at present
	Senior Planner	<b>£40,167 -£43,320</b>	
<b>Local District Council</b>	Planning Officers –		Career graded posts

	Senior Planners	<b>£29,439 - £33,820</b> <b>/ £32,909 -</b> <b>£38,296</b>	A two year fixed term market supplement of £4,000
		<b>£37,261 - £42,503</b>	
<b>Local District Council</b>	Senior Planners	<b>£38,339 – £43,149</b>	None at present
<b>Local District Council</b>	Planning Officers	<b>£30,151 - £33,820</b>	Golden Hello payments as recruitment incentives for both roles. £2500 upon joining and £2500 after one year service. The payment must be returned if the employee leaves within a year of receiving each payment. New starters only.
	Senior Planners	<b>£35,411 – £39,493</b>	
<b>Local District Council</b>	Planning Officers	<b>£29,876 - £34,887 per annum</b>	Based on 4 day working week
	Senior Planners	<b>£34,887 to £39,897 per annum</b>	15% market supplement is applied to this post.

## MARKET SUPPLEMENT

2.5 Market supplement is a recruitment and retention tool that can be employed by the Council in specific circumstances where it is felt that its use may

overcome issues impacting specific services. Following recruitment campaigns against a very difficult national backdrop, it is considered the Council should consider utilising market supplement as an additional tool to try and encourage applicants to apply for permanent posts and to retain existing staff so as not to exacerbate the already chronic staffing situation further.

2.6 Market supplement can be used in our recruitment campaigns to attract new staff as well as be applied to existing staff to retain and protect our investment in these staff and to not lose them to other organisations meaning we have further vacancies to fill and the subsequent training period.

2.7 The Planning team has 11 vacancies which market supplement could be applied to. Based on the proposal within the paper, the market supplement for each post rounded to nearest hundred would be as follows:

Head of Planning (from 30<sup>th</sup> Dec) - £6500

Principal Planner - £5400

Senior Planner x 3 -£4700

Planning Policy Manager- £5700

Planning Policy Officer - £4700

Senior Enforcement Officer- £4100

Enforcement Officer-£3200

Tree Officer-£3600

S106 Monitoring Officer-£3200

2.8 For new starters, market supplement would be a first payment representing 10% of base salary on confirmation of their probationary period at 6 months and then a second payment representing 10% of base salary on the 3<sup>rd</sup> anniversary of their start date with FDC. For existing staff posts and market supplement please see Appendix 1.

2.9 All staff would be required to sign a legal agreement returning the part of the payments should they leave within a defined period, and a sliding scale of repayment incorporated. If the employee refuses to sign the legal agreement, the payment cannot be made.

## **FINANCIAL IMPACT**

2.10 The Council is employing agency staff, consultants and has an arrangement with Capita to fulfil vacant posts which is costing the Council considerably more than a fully staffed permanent team.

- 2.11 If the Planning team was fully staffed with permanently appointed staff the full year cost would be **£1,187,100**. Current budget for 2023/24 is £1,026,760 with a projected cost for 2023/24 of £828,600 based on staff currently in post, a reduction of £198,160 compared with the budget.
- 2.12 The projected cost of the Planning team due to agency staffing in 2023/24 is currently **£648,240** compared with a budget of £91,400, an increase of £556,840.
- 2.13 The total projected cost of the Planning Team (Staff plus agency) for 2023/24 is currently £1,476,840, an increase of £358,680 over the budgeted total cost of £1,118,160.
- 2.14 As Members know, Planning provides income to the Council through government set fees and charges. In 2022/23 financial year, Planning income was £1,252,284 including pre application fees.
- 2.15 The projected income for 2023/24 is £1,050,500 albeit planning income is difficult to predict due to its reliance on the submission of applications. Income to the end of August 2023 was £501,846 including pre-application fees.
- 2.16 Government consulted on an increase in planning fees in recent times which suggested a 35% uplift on fees for major applications and a 25% uplift on all other applications with an annual inflationary increase going forward. The ability to apply these increases was predicated on a certain level of performance within the service. Government have recently announced that this is now being laid before parliament and we await further guidance. This would represent a further source of income.
- 2.17 The financial impact of introducing market supplement for new starters should we be successful in recruiting to all vacant posts would be:

£50,500 in Year 1

£50,500 in Year 3 (subject to application of annual pay awards)

The financial impact of introducing market supplement for existing staff in identified in Appendix 1.

- 2.18 Fulfilling vacancies with alternative staffing solutions is costing the Council **£289,740** above the costs if all establishment posts were fulfilled. Having a settled permanent team with local knowledge will bring benefits in terms of performance as well as financial savings even with market supplement introduced as alternative staffing solutions are expensive, difficult to source, difficult to administer and come with instability as staff can move to other contracts with little notice.

- 2.19 Market supplement can be budgeted for from the Council's General Fund budget.
- 2.20 It should be noted that the Council's overall employment costs will also increase by 25-30% of the additional payments made.
- 2.21 Future payments are subject to annual pay awards.

## **13 CONSULTATION**

- 3.1 The Council's internal staff consultation body have been engaged on this matter.

## **14 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 It has been considered to not introduce market supplement and continue to readvertise posts in future, however, this has not brought forward any candidates and we are therefore having to finance expensive alternative staffing solutions. It is therefore felt that an alternative approach is required to improve performance, create a settled, permanent team that can deliver on Member priorities.

## **15 IMPLICATIONS**

### **5.1 Legal Implications**

- 5.2 There are no specific legal implications as regards the specific recommendations contained in this report however the council is under a duty to deliver planning related outcomes within set statutory deadlines and the recommendations are designed to assist in achieving this outcome.

### **5.3 Financial Implications**

- 5.4 The total revenue impact of these proposals is £50,500 in Year 1 and £50,500 in Year 3, depending on when new recruits start with the Council. For existing staff this is set out at appendix 1. This proposal can be funded from the General Fund Revenue Budget which will see savings from no longer needing to use expensive alternative provision.

## **5.5 Equality Implications**

- 5.6 Recruitment and retention difficulties are acute particularly to the Planning service therefore it is felt there is a specific case set out in the paper to introduce market supplement in this service.