

Report of the Head of Service Delivery ICT

Report to Scrutiny Board (Strategy & Resources)

Date: 10 February 2016

Subject: Scrutiny Inquiry into ICT Capacity – Session 2

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

To provide Scrutiny Board (Strategy & Resources) with the information required to undertake the second session of the inquiry into ICT capacity.

To report back on the Boards request to consider corporate challenge of project prioritisation.

To report back on the Boards request to consider a peer review of the Council's project prioritisation processes.

The report explores the recruitment and retention issues within ICT.

The Chair of Scrutiny (Strategy & Resources) has requested that the Scrutiny Board be given further background regarding the ICT strategy and how this underpins the Council and City in the coming years. The second session of the inquiry will commence with a presentation by the Chief Information Officer.

Recommendations

Scrutiny Board is requested to:

- a) Note the contents of this report
- b) Make recommendations as deemed appropriate

1 Purpose of this report

- 1.1 To provide Scrutiny Board (Strategy & Resources) with the information required to undertake the second session of the inquiry into ICT capacity
- 1.2 To report back on the Boards request to consider how corporate challenge to project prioritisation could be addressed
- 1.3 To report back on the Boards request to consider a peer review of Council prioritisation processes
- 1.4 The report explores the recruitment and retention issues within ICT.
- 1.5 The Chair of Scrutiny (Strategy & Resources) has requested that the Scrutiny Board be given further background regarding the ICT strategy and how this underpins the Council and City in the coming years. The second session of the inquiry will commence with a presentation by the Chief Information Officer.

2 Background information

- 2.1 The Scrutiny Board agreed the terms of reference in October 2015, three enquiry sessions are planned, this being the second.
- 2.2 Session one of the Scrutiny included 'Review of the effectiveness of governance arrangements within Directorates - are they successful in filtering project demand and in assessing the value of proposed projects?' The Scrutiny Board made initial observations around how effective the Council's project prioritisation processes are and requested further consideration be given to how these could be improved and to the use of a peer review.
- 2.3 The second scrutiny session includes a review of the recruitment and retention issues including:
 - Review of current market salaries and pressures being faced in the IT sector in Leeds
 - Review of the progress made on the ICT Workforce & Sourcing strategy
 - Consider whether there is a case for IT recruitment/re-numeration being excluded from some of the general processes/restrictions that the Council has had to put in place to address current financial situation and whether use of supplements, retention bonuses or other financial incentives would improve our recruitment and retention rates and better support the Council in transforming.
 - Review of how some of the current blanket Council recruitment restrictions, timescales and processes affect ICT recruitment and the associated impact in being able to support services and deliver projects.

3 Main issues

- 3.1 The level of demand for ICT to support small and large projects is significant. Whilst governance arrangements are in place to review requests before they are submitted to ICT, the level of challenge is varied with anecdotal feedback that directorates do not feel they have the knowledge to challenge others on the value/priority of proposed projects.
- 3.2 The issue being seen in ICT of too little capacity to meet demand is a symptom of a wider issue in the Council around the numbers of projects and initiatives.
- 3.3 The ICT strategy contains the principle that we will 'Simplify, Standardise and Share'.
- 3.4 By reducing the number of systems used we will reduce the effort expended on maintenance and upgrades. There is an 'Application Portfolio Review' underway to identify where we could share systems and this will make recommendations around reducing the number of systems.
- 3.5 Simplify Standardise and Share will require the Council directorates to accept 80/20 principles.
- 3.6 Simplify Standardise and Share will require Council directorates to accept that bought in packaged solutions will not be customised as this increases ongoing support costs.
- 3.7 In terms of the volume of projects, other Council's such as Lambeth have taken the approach of a senior executive leader or group of officers making decisions on which projects to cancel/delay/accelerate within the overall portfolio.
- 3.8 There are a significant number of ICT/Digital vacancies within Leeds and a recognised issue in terms of available candidates. The Council is competing for skilled candidates in a market where candidates have many choices. Appendix A contains details of Leeds vacancies and market rates.
- 3.9 City Development are supporting the ICT/Digital sector in attracting experienced candidates to relocate to Leeds and to bring new talent into the sector through training and apprentice/graduate schemes. There is a Leeds Digital jobs fair being held on 10/2/2016 with nearly 30 companies including the Council's ICT Service aiming to recruit to 600 current vacancies across the City. Appendix A contains information regarding current Leeds vacancies and market rates.
- 3.10 The Council ICT team have an issue with retaining skilled staff in such a competitive market.
- 3.11 Where critical roles are vacant, skilled contractor staff must be used to ensure that 'Lights On' support can be maintained. This is usually at a high cost to the Council.
- 3.12 The salaries paid by the Council for ICT skills are in some cases, significantly below market rates. Appendix A contains information regarding Leeds City Council and market rates.

- 3.13 The grading structure and associated salary scales within the Council do not adequately recognise or cater for specialist technical skills. NJC roles have a current maximum salary of £42,957. JNC roles are geared at management skills and as such most ICT roles are evaluated on the NJC scales.
- 3.14 ICT Services have a multi-source approach whereby a mix of permanent staff, contractors and suppliers are used. The ICT workforce plan underpins this approach with a number of actions in place to address the skills/capacity gaps. Details of the key workforce plan themes and current progress are contained in Appendix B.
- 3.15 Recruitment to vacant ICT posts can be delayed by the Council's own processes.. Appendix C covers the current recruitment process and challenges.
- 3.16 The Council does have a list of posts which are exempted from internal recruitment, which helps to speed up the process. HR have advised that this list could be added to if necessary.
- 3.17 HR are currently reviewing the Recruitment and Selection Policy with a view to moving to a Values Based Recruitment process. It is likely to provide a toolkit of different recruitment approaches relevant to particular services and needs and these need to reflect the particular challenges within ICT.
- 3.18 HR, BSC and Occupational Health have advised that they are currently working together to look at how timescales can be shortened to get successful candidates into posts.

4 Equality and Diversity / Cohesion and Integration

- 4.1 An equality and impact assessment has not been completed at this stage of the enquiry.
- 4.2 Equality and diversity will be a consideration throughout the Scrutiny Inquiry. Due regard will be given to equality through the use of evidence, written and verbal, outcomes from consultation and engagement activities.
- 4.3 Where an impact has been identified this will be reflected in the final inquiry report, post inquiry. Where a Scrutiny Board recommendation is agreed the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, conducting impact assessments where it is deemed appropriate.

5 Recommendations

- 5.1 Discussions will be held between the Chair of Scrutiny (Strategy & Resources), Chief Information Officer and Deputy Chief Executive regarding the requirement for the Council to improve project prioritisation.
- 5.2 The Local Government Association has been approached regarding the possibility of a Peer review in relation to project prioritisation.
- 5.3 Scrutiny Board should endorse the Simplify, Standardise, Share principles being applied within the Council.

5.4 Scrutiny Board are asked to note the issues with regard to recruitment and retention and make recommendations as deemed appropriate.

6 Background documents¹

Appendices:

- A Leeds ICT/Digital vacancies, ICT market salary comparison
 - B ICT Workforce plan themes and progress.
 - C Recruitment process and challenges
-

Appendix A - Leeds ICT/Digital vacancies, ICT market salary comparison

There is an acute digital skills shortage in Leeds which has been grown to over 600 vacancies over the last 18 months (Source: Herd)

According to IT Jobs Watch, Agile Software Development was the most popular skill in the permanent market, closely followed by SQL. These were followed by Microsoft, .NET, SQL Server, C#, Windows, JavaScript, HTML and Java. The contract market also had Agile Software Development as the skill most advertised.

Top 5 permanent roles in demand in August 2015

1. Test Analysts
2. Developers (all languages and platforms)
3. Business Change Analysts
4. MI Developers (all languages and platforms)
5. Project Managers

Link to Information Age article showing top 5 in-demand IT Skills in 2015 - <http://www.information-age.com/it-management/skills-training-and-leadership/123458836/top-5-demand-it-skills-2015>

Link to CIPD article Resourcing & Talent Planning 2015. Not specifically ICT - <http://www.cipd.co.uk/hr-resources/resourcing-talent-planning-survey-report-2015-infographic.aspx>

Current Market Job Rates v LCC Salaries

Role	LCC Salary	Salary based on similar roles Recruitment Agencies are working on in the West Yorkshire region
Senior IT Infrastructure Officer (Solaris System Admin)	PO2 - £30,178 - £32,778	£40,000 - £45,000
Senior IT Infrastructure Officer (SharePoint System Administrator)	PO2 - £30,178 - £32,778	£40,000 - £42,000
Principal Technical Lead (Applications Integration)	PO4 - £35,662 - £38,405	£47,000 - £50,000
Principal Technical Lead (Microsoft Sequel)	PO4 - £35,662 - £38,405	£45,000 - £50,000
Developer (C#/.NET)	PO2 - £30,178 - £32,778	£37,000 - £42,000

Current LCC ICT Vacancies:-

Principal Technical Lead (Applications Integration)
Principal Technical Lead (Applications BI/SQL)
Senior Technical Lead (Microsoft Infrastructure)
Senior Technical Lead (Security)
Senior IT Infrastructure Officer (Solaris Admin)
Senior IT Infrastructure (SharePoint)
Developer
Software Testers
Trainee Developer Programme
Student Placements
IT Support Assistant
IT Apprenticeships
Principal Strategic Sourcing Officer
Senior IT Infrastructure (MS Server)
Senior DBA

Appendix B - ICT Workforce plan key themes and progress

- **A multi-source approach**
- **The creation of an ICT specific graduate/trainee programme to recruit and train a cohort of ICT Developers on our core technologies.**

Recruitment to the first cohort of the scheme took place over summer 2014 – 5 places were offered with 3 of those to existing LCC staff (1 from ICT) and 2 graduates new to LCC.

Four of the candidates started in October 2014 (the 5th candidate internal to LCC dropped out). Two candidates from this first cohort applied for and were successful in obtaining a higher graded permanent role in Development and Support after less than a year on the scheme, one of these has since handed in their notice and left. One of the remaining Cohort 1 trainees has also now handed in notice having secured a permanent role elsewhere.

Recruitment of a second cohort resulted in 3 candidates being appointed and these started on 14th September 2015

Recruitment for the 3rd cohort will commence in early 2016

- **The creation of a number of senior ICT technical posts to address staff recruitment and retention issues.**

The creation of a number of senior ICT technical posts has been progressed to address current staff recruitment and retention issues. Where posts required specialist technical skills and there are no (or limited) skills/capacity internally then these posts have been simultaneously advertised to both internal and external candidates (after talent pool candidates considered). This external recruitment was approved by Deputy Chief Executive and Chief Officer HR on 29th Jan 2015 and then again in August 2015.

Some of the new technical posts have been filled but a number remain vacant and recruitment continues.

Similarly there are a number of posts that have become vacant due to resignation or the post holder securing a different ICT post. Recruitment to these posts continues to ensure that a stable IT service can be maintained and that critical Council projects can progress.

- **The procurement of a framework of specialist ICT suppliers. These will be used to enhance and augment our in-house capacity and capabilities.**

Work on procuring a framework of specialist ICT technical suppliers took place over 2015 and three suppliers were appointed to the framework – Methods, Fujitsu and Lockheed Martin. These suppliers are now being used to provide additional capacity and specialist skills where ICTs own capacity isn't available.

- **The procurement of a framework of specialist ICT contractor (agency) providers.**

Work was completed on the procurement of a framework of specialist ICT contractor (agency) providers in 2015. There are 6 suppliers on the framework.

Appendix C - Recruitment process and challenges

Recruitment Process

- Create Post - Delegated Decision (if not more of the same)
- Job Description to Job Evaluation (if not more of the same)
- Post created in SAP (if not more of the same)
- SAF form completed and sent to Chief Officer along with Job Description, Advert Wording, Health Questionnaire for approval
- Once approval received documents sent to LCC Post Release
- LCC Post Release send to Head of HR for approval
- Talent pool matching takes place (every Thursday but this changes every so often as at one point they were matching every day)
- If no suitable matches CSV Redeploy forward documents to BSC Post Release
- BSC Post Release create vacancy on Recruitment site and publish advert
- Recruitment Co-ordinator assigned
- Candidates who apply are shortlisted and interviewed
- Successful candidate contacted and pre-employment checks to be completed
- Paper Documents (some can be sent electronically) forwarded to Recruitment co-ordinator – New Starter Forms Parts A and B, x 2 references (employer & character), Confirmation of Eligibility to work in UK, Interview Notes, Shortlisting and Interview Assessment Form, Health Declaration (sent to Occupational Health who currently have a month backlog).
- Once all documents received Recruitment Co-ordinator will sign off file and set up on SAP

Issues

Time it takes to go through approvals

- No specific time periods ie waiting for confirmation email from Chief Officer, Head of HR.
- No timeframes set by HR eg sent a request through to LCC Post release on Wednesday 20th May. Was told it would go to matching on Thursday 21st May and that would have a response by Monday 25th May. Chased Wednesday 27th May and advised it would go to matching Thursday 28th May and would have a response by Monday 1st June.

Human error in filling out forms

- Wrong SAP reference added
- HR/BSC - error passing documents through the process e.g wrong advert has been attached to the job description.

Other

- Don't always get notification from BSC that role has been advertised creating delay in planning shortlisting/interview dates
- BSC waiting for documents to come back from Occupational Health. The outcome of the Occupational Health assessment does not change the employment offer – could this be done after someone has started if required?
- Typical length of time from start of process to candidate starting is – 13/14 weeks. (This is for external recruitment).
- Repeat requests to gain Head of HR and Director approval to advertise externally (approval already received for post but when no candidates have been found and role re-advertised, BSC ask for repeat approval)