

## **REPORT of DIRECTOR OF RESOURCES**

**to**

**FINANCE AND CORPORATE SERVICES COMMITTEE  
12 JUNE 2018**

### **HUMAN RESOURCES STATISTICS - QUARTER FOUR 2017 / 18**

#### **1. PURPOSE OF THE REPORT**

1.1 To present the Council's Human Resource statistics for the period 1 January 2018 to 31 March 2018. The main purpose of the report is to provide an update on the levels over the past quarter of vacancies, staff turnover, sickness absence, staff numbers and staff data to meet equality standards, as well as to report on key statistics for the 2017 / 18 financial year.

#### **2. RECOMMENDATION**

That the contents of this report are noted.

#### **3. SUMMARY OF KEY ISSUES**

3.1 This report is for Members' information only.

##### **3.2 Labour Turnover**

3.2.1 **Quarter 4 (Q4):** The staff turnover was based on an average of 233.33 staff employed in post between 1 January 2018 and 31 March 2018. There were 3 leavers and 8 starters in Q4.

3.2.2 Service level turnover for Q4 2017 / 18 is as follows:

<b>Directorate</b>	<b>Leavers</b>	<b>Reasons for Leaving</b>	<b>Q4 Average <sup>*1</sup> Headcount</b>	<b>Average Full Time Equivalent (FTE) per Service</b>	<b>% of Service Staffing that was a Leaver per Service</b>
Corporate Core	0	n/a	8	7.41	0%
Resources	0	n/a	55	43.76	0%
Customers and Community	1	1 Resignation	99	86.86	1.01%
Planning and Regulatory	2	2 Resignations	71.33	63.17	2.80%
<b>Total</b>	<b>3</b>		<b>233.33</b>	<b>201.2</b>	<b>1.29%</b>

*\*1 – Average headcount: figure averaged from Q4 month ends*

### 3.3 Annual Labour Turnover for 2017 / 18

3.3.1 The **annual total staff turnover** figure for the 2017 / 18 financial year for the Council is **14.4%**, which is 0.1% greater than the Council's 2016 / 17 turnover figure. This is based on voluntary leavers (i.e. employees who chose to leave and resign) *plus* involuntary leavers (i.e. dismissals, end of fixed term contracts, unsuccessful probation etc.). As a comparator the average total staff turnover figure for public sector for 2016 was **15.1%**, **25.7%** for private sector, and **23%** for all sectors combined<sup>\*1</sup>. The Council's turnover rate is therefore below the public sector average and well below the private sector and all sector averages.

3.3.2 Employers mainly need to focus on **voluntary labour turnover** when considering staff retention and it is important to benchmark voluntary labour turnover rates against that of other similar organisations, to decide whether or not action is needed to address retention. Once an employer has a better insight into the reasons for employee resignations, it can develop an appropriate staff retention strategy.

3.3.3 The voluntary staff turnover figure for the Council for 2017 / 18 was **10.5%**, which is the same as 2016 / 17. As a comparator, the average public sector voluntary staff turnover figure for 2016 was **10%** - the Council's figure is therefore marginally above this. The average voluntary staff turnover figure for private sector was 17.5%, and 15.5% for all sectors combined.

3.3.4 Voluntary staff turnover rates for the Council for the past five financial years are as follows:

Year	No. of Resignations	Average Headcount	Voluntary Labour Turnover Rate	National Voluntary Labour Turnover Rate <sup>*2</sup>
2013/14	17	223	<b>7.6%</b>	12.5%
2014/15	27	227	<b>11.9%</b>	15.3%
2015/16	27	231	<b>11.7%</b>	16.1%
2016/17	24	229	<b>10.5%</b>	15.5%
2017/18	24	228	<b>10.5%</b>	Figures not yet available

### 3.4 Exit Questionnaires

3.4.1 Employee turnover can have negative impact on an organisation's performance. By understanding the reasons behind staff turnover, employers can devise recruitment and retention initiatives that reduce turnover and increase employee retention. Employers are able to use information gathered in exit questionnaires to identify reasons for labour turnover and to assist in identifying what improvements the organisation can make for the future.

3.4.2 Gathering information about employees' reasons for leaving can provide an employer with invaluable data about its employment practices, management style and any treatment perceived by employees as being unsatisfactory or unfair. Many employees will reveal the truth about their reasons for leaving in an exit questionnaire. The

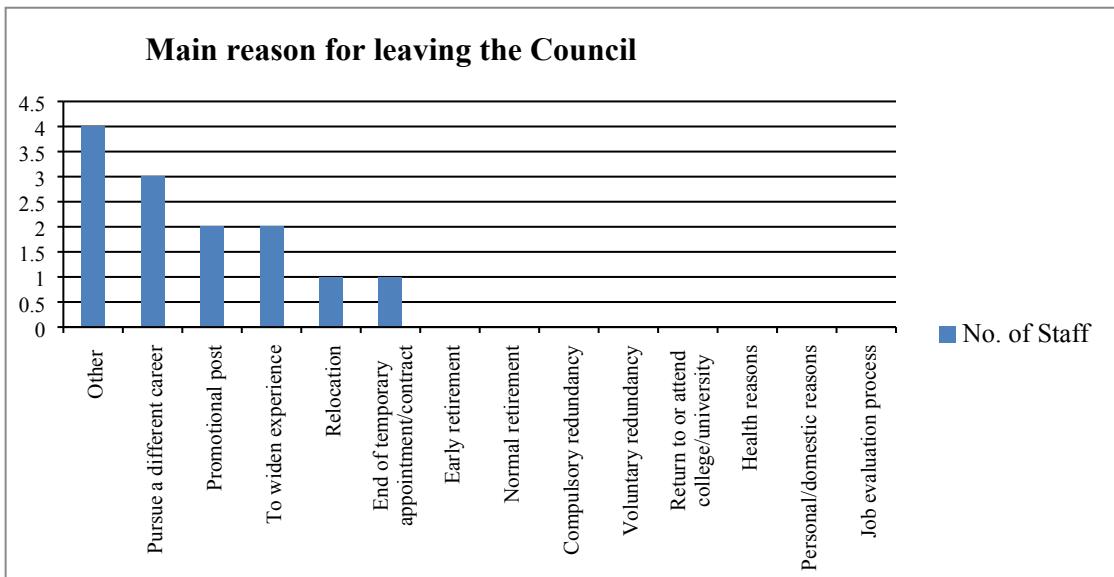
Council currently obtains feedback via an exit questionnaire which is either discussed via an exit interview or completed individually by the leaver.

3.4.3 Of the 32 leavers MDC had between April 2017 and March 2018: Human Resources (HR) issued **23** exit questionnaires (not always appropriate to issue these depending on the reason for leaving) and **16** were received back. Information from these is fed back to Directors / line managers where appropriate for attention, information or for remedial action to be taken.

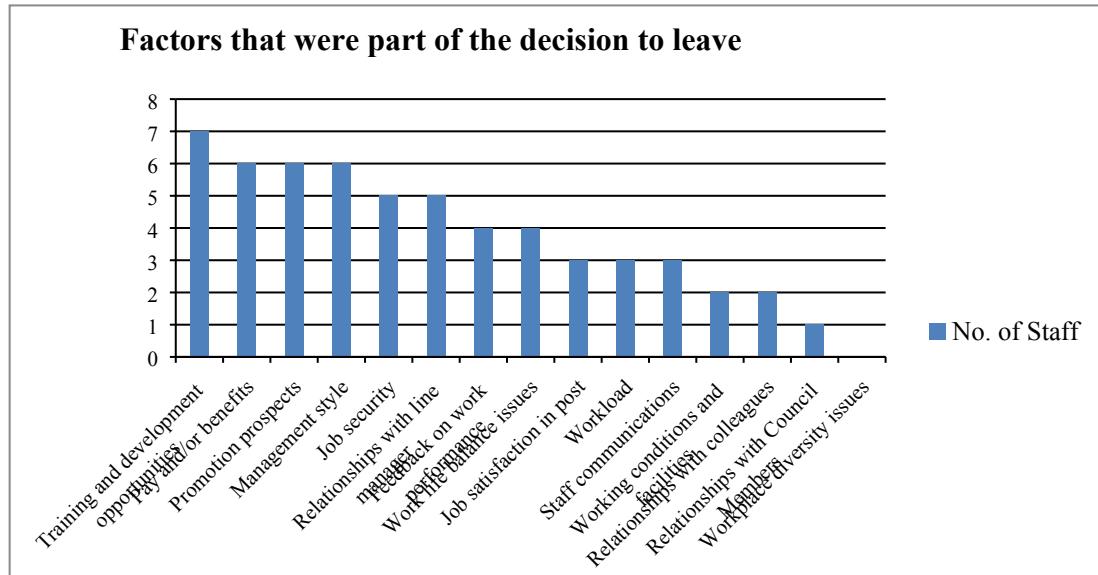
3.4.4 A new exit questionnaire format was developed in November in order to allow greater insight and analysis into the reasons why staff leave. **Eleven** staff have completed this questionnaire since November. Figures 1 – 3 below are based on the responses from these 11 individuals and detail the main reasons given for leaving the Council; what factors were part of the decision to leave and details of whether the individual would work for the Council again.

**3.4.5** Employees resign for many different reasons. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce that 'pulls' them. On other occasions they are 'pushed' as a result of dissatisfaction in their present jobs to seek alternative employment. These 'push' factors range from a lack career opportunities to organisational changes. The move might also be prompted by a combination of both 'pull' and 'push' factors. One key factor behind an individual's decision to leave the organisation may be a poor relationship with a line manager, leading to disengagement \*<sup>2</sup>.

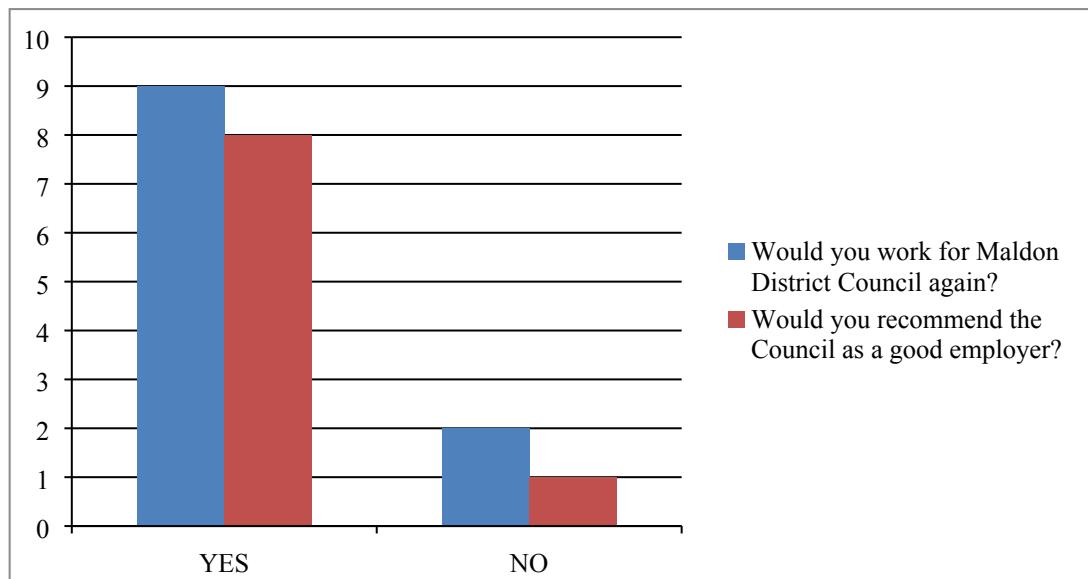
**Figure 1: Main reasons given for leaving the Council**



**Figure 2: Factors that were part of the decision to leave the Council**



**Figure 3: Individuals stating whether they would work for the Council again**



3.4.6 Figure 3 shows that of the 11 respondents, nine (82%) would work for the Council again.

3.4.7 As the sample size increases over the coming months, further data and better trend analysis and benchmarking will be performed. This in turn will shape what strategies and interventions are put in place to ensure better staff retention. Exit trend analysis will continue to be reported at future meetings of the Finance and Corporate Services Committee.

#### **4. RECRUITMENT**

4.1 There has been a moderate amount of recruitment during Q4; a total of 14 external vacancies have been advertised; ten posts have been within the Customers and

Community Directorate, two posts within the Planning and Regulatory Directorate and two posts in the Resources Directorate.

- 4.2 There have been three internal vacancies advertised, one from each Directorate.
- 4.3 All external posts continue to be advertised on the Council's website as well as via social media including Facebook and Twitter, Indeed (one of the largest and free of charge job search engines), and via Job Centre Plus - and any other relevant professional journals / media where appropriate, ensuring as wide reach as possible to potential candidates.
- 4.4 Please see below the external and internal vacancies for Q4 2017 / 18.
- 4.5 Please note that all Members continue to be sent a list of all Council vacancies on or around 19<sup>th</sup> of every month.

**4.6 Q4 External Vacancies:**

<b>Directorate</b>	<b>Posts Advertised</b>	<b>Positions</b>	<b>Post advertised on MDC website, Indeed, Twitter and Facebook</b>
<b>Customers and Community</b>	Leisure Attendant Supervisor	1	yes
	Leisure Attendant	4	yes
	Parks & Countryside Team Supervisor	1	yes
	Business Support Apprentice	2	yes
	Customers Assistant (Systems and Rates) – 12 months Maternity Cover	1	yes
	Customers Officer (Rates)	1	yes
<b>Resources</b>	Democratic Services Officer	1	yes
	Committee Services Officer	1	yes
<b>Planning and Regulatory Services</b>	Planner (Career Grade)	1	yes
	Corporate Fraud and Enforcement Assistant Fixed Term Contract (FTC)	1	yes
	<b>Total</b>	14	

4.7

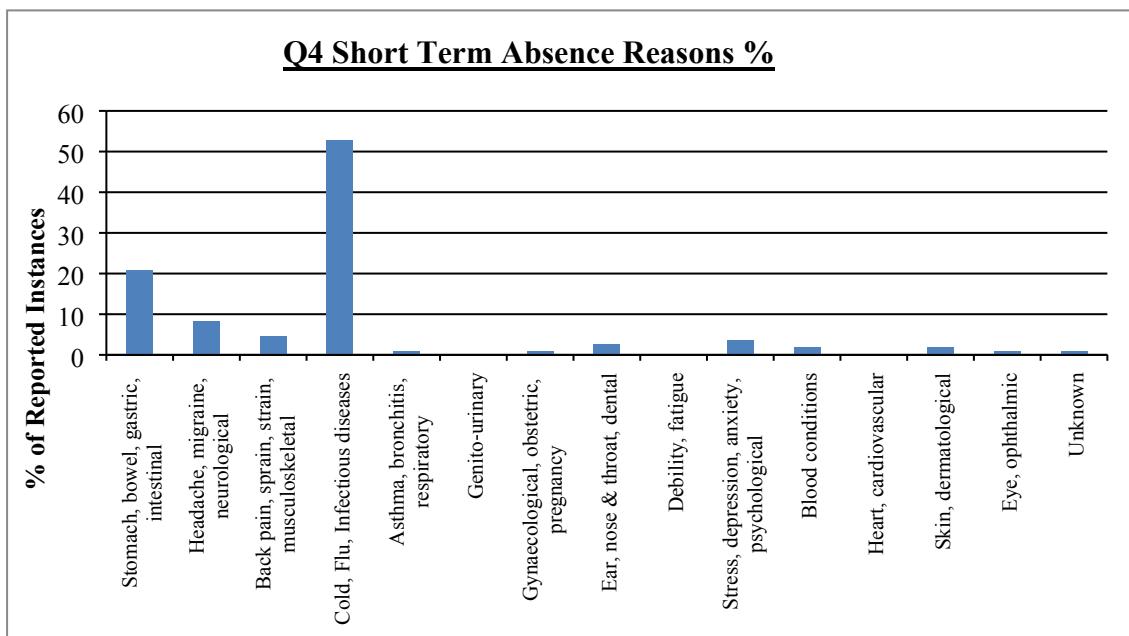
#### Q4 Internal Vacancies:

Directorate	Posts Advertised	Positions	Post advertised on intranet
<b>Customers and Community</b>	Senior Community Protection Officer (Technical)	1	Yes
<b>Resources</b>	Cleaner	1	Yes
<b>Planning and Regulatory Services</b>	Environmental Health Technician 18.5 Hrs FTC	1	Yes
<b>Total</b>		<b>3</b>	

#### 5. STAFF SICKNESS LEVELS

5.1 The 2017 / 18 Q4 overall sickness figure (short and long term combined) **decreased by 20%**, to 498.86 total FTE days lost or 2.47 total days lost per FTE, compared to Q3 (622.76 total FTE days lost or 3.17 total days lost per FTE).

5.2 The figures for Q4 with regard to short term sickness have decreased by 7% from 322.64 total FTE days lost in Q3 to 300.62 total FTE days lost in Q4. This is despite the significant number of staff (58 instances or 53% of reported short term absences) having reported the reason for sickness as 'cold, flu, infectious diseases'. As reported in the Q3 report, short term absence figures are usually expected to increase during the winter months.



5.3 Free of charge flu vaccinations were offered again this year to all staff and Members, and 37 individuals requested these. Hand sanitising gel was also provided around the building to assist with infection control.

5.4 The figures for Q4 with regard to long term absence showed a notable **decrease of 34%** from 300.12 total FTE days lost in Q3 (1.53 total days lost per FTE) to 198.24 (0.98 total days lost per FTE) in Q4. Human Resources and Management continue to work in partnership to manage long term absences cases and implement effective interventions under the Attendance Management Policy.

5.5 Out of the six staff who were on long term sickness absence during Q4, three have returned to work, one has left the Council and two staff continue to be managed under the Attendance Management Policy.

5.6 Managers are continuing to receive a monthly report showing sickness absence trigger information via a 'Bradford Score' report generated by the HR system. This shows the manager where action must be taken to instigate the formal absence management process with their staff. Other interventions that have been introduced to reduce sickness absence include the mandatory introduction of return to work interviews, the completion of which is monitored, and the provision of a responsive occupational health service. HR continues to work closely with managers to ensure that all absence cases are managed appropriately and in accordance with policy. Line managers are also required to report back on their actions taken to manage attendance on a monthly basis to HR.

5.7 Managers continue to be kept informed of progress against the Council's attendance Key Performance Indicator (KPI) target figure and the importance of them taking responsibility to manage attendance levels in their teams and to undertake the appropriate actions under the policy. Attendance levels will continue to be reported at future Manager's Forums.

5.8 The annual total days lost per FTE for the 2017 / 18 financial year is 10.86, compared to 12.4 for the 2016 / 17 financial year, a reduction of 1.54 total days lost per FTE. The target figure for the 2017 / 18 financial year is 8, and therefore progress has been made on achieving a reduction closer to this figure.

5.9 8.8 FTE days per employee were lost on average by local authority workers in 2016 / 17 <sup>\*3</sup>, therefore attendance levels at the Council are not significantly higher than average (2.06 FTE days greater).

5.10 Consideration may want to be given to implementing a more realistic incremental KPI target, for example, nine for the 2018 / 19 financial year and eight in the 2019 / 20 financial year, given that behavioural and cultural change around attendance management interventions and protocols can take time.

5.11 Internal audit recently carried out an audit on the Attendance Management policy and procedure and assessed the design as giving 'significant assurance', which is an excellent achievement, and demonstrates that the Council is aligned to best practice. The operational effectiveness of the process was assessed as giving 'moderate assurance' – areas of non-compliance with the Managing Attendance policy and procedure across the Council were identified, with key requirements such as self-certification, Return to Work Meetings (RTW) and formal 'stage' meetings not being completed by managers or within an appropriate timeframe by managers.

5.12 As a consequence and further to audit recommendations HR will be undertaking regular monitoring of compliance against the controls within the Policy with these reported to the Finance and Corporate Services Committee and the Corporate Leadership Team (CLT) to ensure that areas of poor performance are held to account. These will be reported from Q1 2018 / 19.

5.13 The audit also recognised the significant work and achievement of the Council's Mind Body and Soul group, in contributing to the wellbeing agenda across the Council. The Council recently won the 'Essex Workplace of the Year' award from Active Essex, which is an excellent achievement. The links between employment and improved health are well documented and there is also strong evidence to show how having a healthy workforce can reduce sickness absence, lower staff turnover and boost productivity.

5.14 Over the next financial year the Council will be looking to attain the Workplace Wellbeing Charter, which is a voluntary, self-assessment scheme open to all public, private and voluntary sector organisations based in England and is a statement about the way in which the organisation is run and supports the workforce, demonstrated by adherence to a set of standards. To achieve the Charter, the Council will be asked to demonstrate commitment and support by taking action to deploy any changes which may be necessary in the organisation. By following the Charter, the Council may further improve staff wellbeing, obtain buy-in from staff and management and reduce staff sickness.

5.15 Management and HR continue to work together in order to make successful interventions to help staff manage health conditions through a more flexible working agreement, which avoids staff taking sick days which could lead to a longer period of absence and maintains productivity.

5.16 HR and managers continue to promote the employee assistance programme, Workplace Options, which is offered to both employees and Members. Feedback is generally very positive, particularly regarding the quality of counselling services received. As well as using an Employee Assistance Programme (EAP) to help safeguard employees' mental health and wellbeing, employers can also benefit. A healthier, happier workforce means lower sickness absence rates, increased productivity and higher levels of engagement.

5.17 In summary, there has been positive progress in improving this year's attendance figures. It must be noted however, that progress in achieving change following policy implementation does take time. Continuing to manage attendance as a priority within HR coupled with greater manager compliance and compliance reporting should effect a further improvement in overall target figures over the next financial year.

5.18 The below table shows the last 4 financial year's overall attendance figures – **the 17/18 figures are the lowest since the 2014 / 15 financial year**, demonstrating that the new policy and procedure is having an impact on the overall figures.

<b>Year</b>	<b>Total days lost per FTE</b>
<b>2017 / 18</b>	10.86
<b>2016 / 17</b>	12.4
<b>2015 / 16</b>	12.42 .....
<b>2014 / 15</b>	12.23 .....

**Figure 4**

Please find below the sickness for each quarter for 2016 / 17 and 2017 / 18

2017 / 18	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	163.65	0.85	230.32	1.25	322.64	1.64	300.62	1.49	1017.23	5.23
Long Term Absence	393.05	2.04	198.64	1.08	300.12	1.53	198.24	0.98	1090.05	5.63
Total	<b>556.70</b>	<b>2.89</b>	<b>428.96</b>	<b>2.33</b>	<b>622.76</b>	<b>3.17</b>	<b>498.86</b>	<b>2.47</b>	2107.28	<b>10.86</b>

2016 / 17	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	237.94	1.25	241.39	1.21	259.46	1.31	306.53	1.55	1045.32	5.32
Long Term Absence	290.83	1.52	372.46	1.89	393.37	1.99	331.78	1.68	1388.44	7.08
Total	528.77	2.77	613.85	3.1	652.83	3.3	638.31	3.23	2433.76	12.4

## 6. WORKFORCE STATISTICS

6.1 Please see **APPENDIX 1** attached to this report for the key statistics relating to staff including headcount, age profile, gender, sex and ethnic origin across the workforce.

## 7. CONCLUSION

7.1 The voluntary staff turnover figure for the Council for 2017 / 18 was **10.5%**, which is the same as 2016 / 17. As a comparator, the average public sector voluntary staff turnover figure for 2016 was **10%** - the Council's figure is therefore marginally above this. The average voluntary staff turnover figure for private sector was 17.5%, and 15.5% for all sectors combined.

7.2 The 2017 / 18 Q4 overall sickness figure (short and long term combined) **decreased by 20%**, to 498.86 total FTE days lost or 2.47 total days lost per FTE, compared to Q3 (622.76 total FTE days lost or 3.17 total days lost per FTE).

7.3 The figures for Q4 with regard to short term sickness have decreased by 7% from 322.64 total FTE days lost in Q3 to 300.62 total FTE days lost in Q4. This is despite the significant number of staff (58 instances or 53% of reported short term absences) having reported the reason for sickness as 'cold, flu, infectious diseases'.

7.4 The figures for Q4 with regard to long term absence showed a notable **decrease of 34%** from 300.12 total FTE days lost in Q3 (1.53 total days lost per FTE) to 198.24 (0.98 total days lost per FTE) in Q4. Human Resources and Management continue to work in partnership to manage long term absences cases and implement effective interventions under the Attendance Management Policy.

7.5 The annual total days lost per FTE for the 2017 / 18 financial year is 10.86, compared to 12.4 for the 2016 / 17 financial year, a reduction of 1.54 total days lost per FTE. The target figure for the 2017 / 18 financial year is 8, and therefore progress has been made on achieving a reduction closer to this figure.

7.6 In summary, there has been positive progress in improving this year's attendance figures. It must be noted however, that progress in achieving change following policy implementation does take time. Continuing to manage attendance as a priority within HR coupled with greater manager compliance and compliance reporting should effect a further improvement in overall target figures over the next financial year.

## 8. IMPACT ON CORPORATE GOALS

8.1 The effective implementation of the Attendance Management policy, including high levels of compliance with the policy, is critical to ensure that staff attendance levels are kept at the highest possible level to ensure resourcing is adequate in order to deliver an effective and efficient service for our customers.

## 9. IMPLICATIONS

- (i) **Impact on Customers** – No direct impact on customers from this report, although the wider staff context concerning recruitment, vacancies and sickness has an impact on the ability to deliver services to customers.
- (ii) **Impact on Equalities** – More detailed information on the protected characteristics of the Council's workforce, is now available on the new Human Resources system. This will allow the team to consider the needs of those groups when writing new Policies and Procedures and when carrying out its functions.
- (iii) **Impact on Risk** – Effective and proactive management of staff sickness and recruitment helps mitigate risk.
- (iv) **Impact on Resources (financial)** – The cost of advertisements and other necessary costs related to recruitment are included within current approved budgets.
- (v) **Impact on Resources (human)** – HR continues to regularly provide advice and guidance to both employees and managers on how best to manage attendance using the good practice steps outlined within the Managing Attendance Policy and Procedure. Staff absences do affect direct colleagues and this is addressed by the use of the Managing Attendance Policy with individuals.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to:

Dawn Moyse, Group Manager, People, Performance and Policy, (Tel: 01621 875869) or Helena Beattie, Senior HR Business Partner / Team Leader, (Tel: 01621 876281).

<sup>\*1</sup> *Xpert HR- Headline Staff Turnover Rates for 2016*

<sup>\*2</sup> *Chartered Institute of Personnel Development (CIPD) Turnover and Retention Factsheet, CIPD 2018*

<sup>\*3</sup> *Local Government Association Workforce Survey 2015 / 16, published March 2017*