

East Herts Council TURNOVER REPORT 1 APRIL 2014 – 31 MARCH 2015

1. Summary

- 1.1 This report provides a detailed analysis of turnover for the financial year 2014/15. Turnover is analysed by reason, length of service and service area.
- 1.2 Overall there has been a decrease in turnover in 2014/15 to 8.17% compared to 9.3% 2013/14 (excluding shared services transferors)

2. Turnover

- 2.1 The turnover rate for 2014/15 is 8.17% against a target of 10%. Turnover rates are based on headcount where full-time and part-time are undifferentiated rather than full-time equivalent posts. The average headcount for 2014/15 was 355.
- 2.2 This year's outturn equates to 29 leavers. Of the leavers, 21 left voluntarily and 8 left involuntarily (due to end of temporary contract 6, and dismissal 2). The voluntary leaver's rate is 5.92% against a target of 7%.
- 2.3 In 2011/12 the overall turnover targets were reduced from 12% to 10% and the voluntary turnover target from 8% to 7%. The targets were changed due to both outturns for the previous 4 years being below targets set and it was believed it would be a more achievable target. These targets remained valid in 2014/15.

3. Stability Index

- 3.1 The Stability Index indicates the retention rate of employees with over 1 years' service. This is a clear indication whether the Council is retaining employees in the first year of service, which may indicate problems with the Council's recruitment processes.

The positive outturn for 2014/15 was 81% against a target of 90%. This is a positive increase from the outturn in 2013/14 (64%).

Figure 1

Financial Year	Percentage of turnover	Percentage of turnover identified as voluntary leavers	Stability Index*
2007/8	12.24%	9.51%	87.88%
2008/9	8.60%	6.30%	81.82%
2009/10	5.39%	3.50%	84.62%
2010/11	8.24%	5.77%	95.24%
2011/12	11.86%	8.28%	73.33%
2012/13	8.29%	6.35%	70%
2013/14	13.24%	6.2%	64%
2014/15	8.17%	5.92%	81%
2014/15	Target 10%	Target 7%	Target 90%

*The stability index is measured by dividing the number of voluntary leavers with over 1 years' service by the total number of voluntary leavers (multiplied by 100 to express as a percentage).

4. Vacancy Rate

4.1 The overall vacancy rate for 2014/15 is 6.65%*. This is an increase from the outturn for 2013/14 which was 6.01% and is also higher than the latest average vacancy rate for shire district councils of 6.3% (Local Government Workforce Survey 2012/2013).

*This is defined as the average number of vacant full-time equivalent positions, expressed as a percentage of the average number of budgeted full-time equivalent positions as defined in the establishment list.

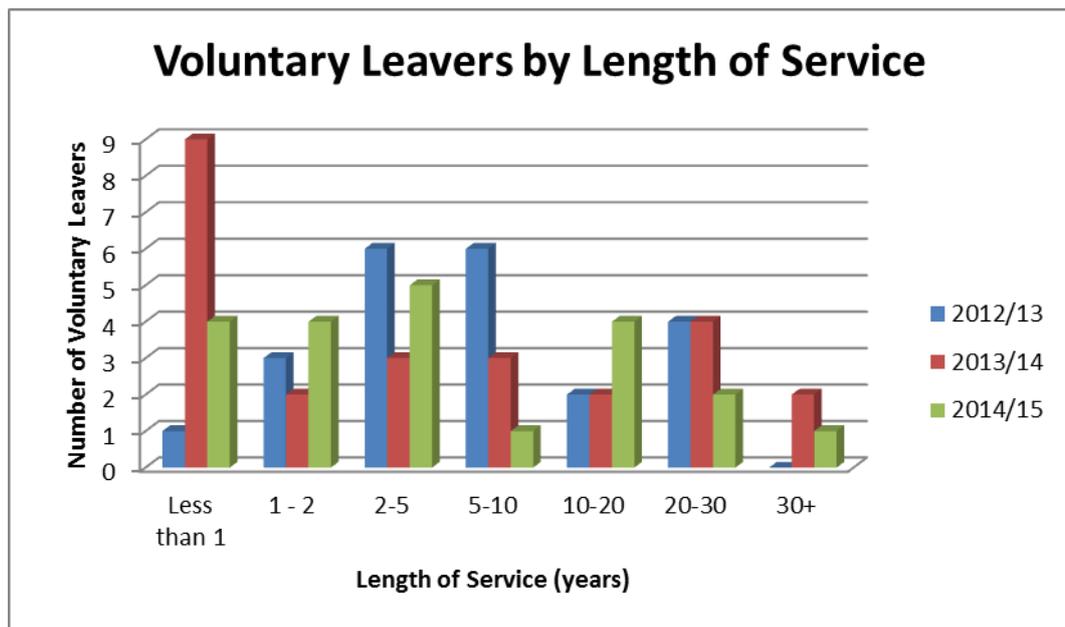
5. Voluntary Leavers

5.1 This section reviews voluntary turnover by length of service, service area and reason for leaving.

5.2 **Voluntary leavers by length of service**

Figure 2 details voluntary leavers by length of service

Figure 2



- 5.2.1 In 2014/15, 4 employees left with less than 1 years' service which is a decrease of more than 50% since the previous year (9 employees). However the percentage of employees leaving with 1-2 and 2-5 years' service has more than doubled (43%) since the previous year (20%).
- 5.2.2 Those employees who left voluntarily with less than 1 years' service gave the following reasons for leaving: change in career (1), personal reasons (1), to relocate (1) and 'other' (1).
- 5.2.3 The reasons for leaving for those with between 1 and 2 years' service were to achieve promotion (2) and 'other' (2). For those with between 2 and 5 years' service, the reasons for leaving were personal reasons (3), 'other' (1), and to relocate (1).

5.3 Voluntary leavers by service area

- 5.3.1 This section looks at voluntary leavers by service area. This is calculated as a percentage base on each service's headcount and the number of voluntary leavers from that service.
- 5.3.2 During the latter part of 2014/15 some services were restructured resulting in team changes.

5.3.3 Table 1 below shows how the service names have changed since the Turnover report 2013/14 was approved. The changes are shown in red text.

Table 1

Service Name (2013/14)	Service Name (2014/15)
Corporate Support Team	Corporate Support Team
Communications, Engagement & Cultural Services	Communications, Engagement & Cultural Services
Corporate Risk	Governance & Risk Management Service
Financial Services & Performance	Teams split into either Strategic Finance or Business Development
Customer Services & Parking	Customer Services & Parking
Environmental Services	Environmental Services
People, ICT & Property Services	Teams split into either HR & OD, Strategic Finance, or Governance & Risk Management
Democratic & Legal Services	Democratic & Legal Services
Revenues & Benefits	Revenues & Benefits
Housing Services	Housing Services
Community Safety and Health Services	Community Safety and Health Services
Planning & Building Control	Planning & Building Control

Red text indicates where service areas have been restructured in 2014/15

5.3.4 As a result of the service restructures, to enable comparisons to be made between the data reported on in the Turnover report 2013/14 and the current 2014/15 data, two Figures have been produced. Figure 3 details voluntary leavers by service area for 2013/14 and Figure 4 for voluntary leavers by service area for 2014/15.

5.3.4 The shaded columns show where there have been changes in the service area since 2013/14.

Figure 3

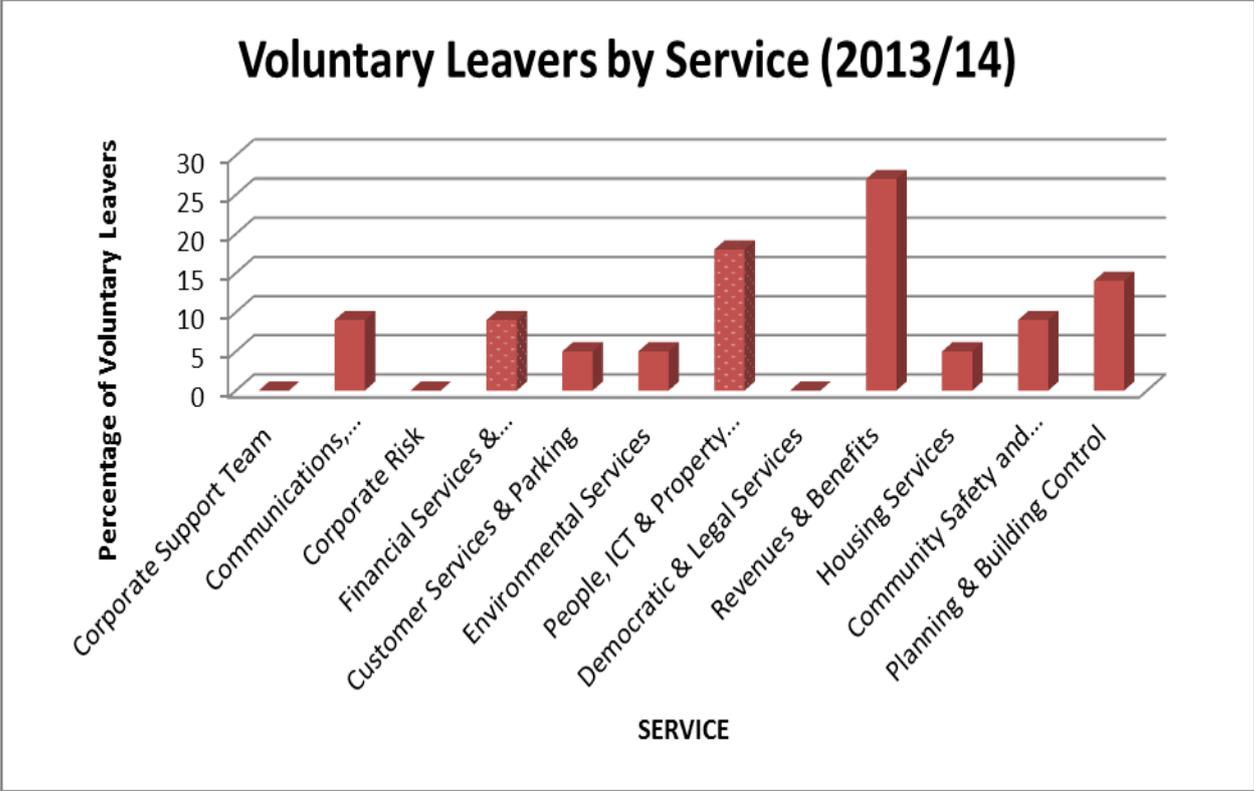
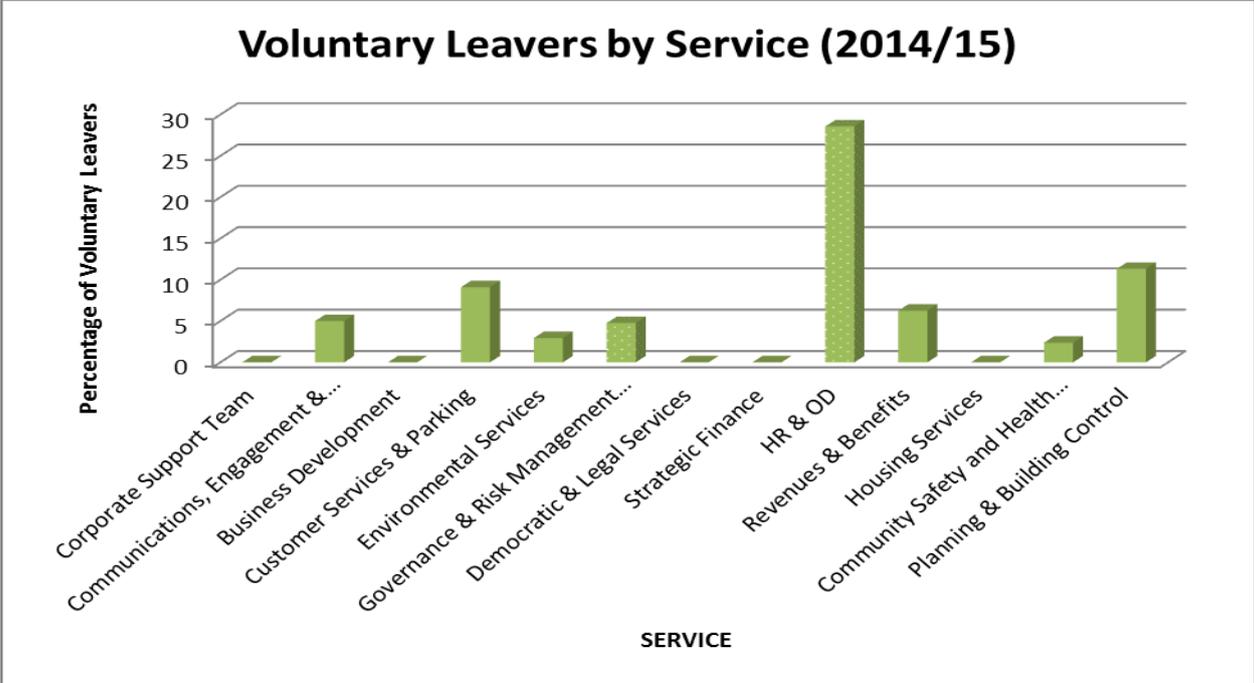


Figure 4



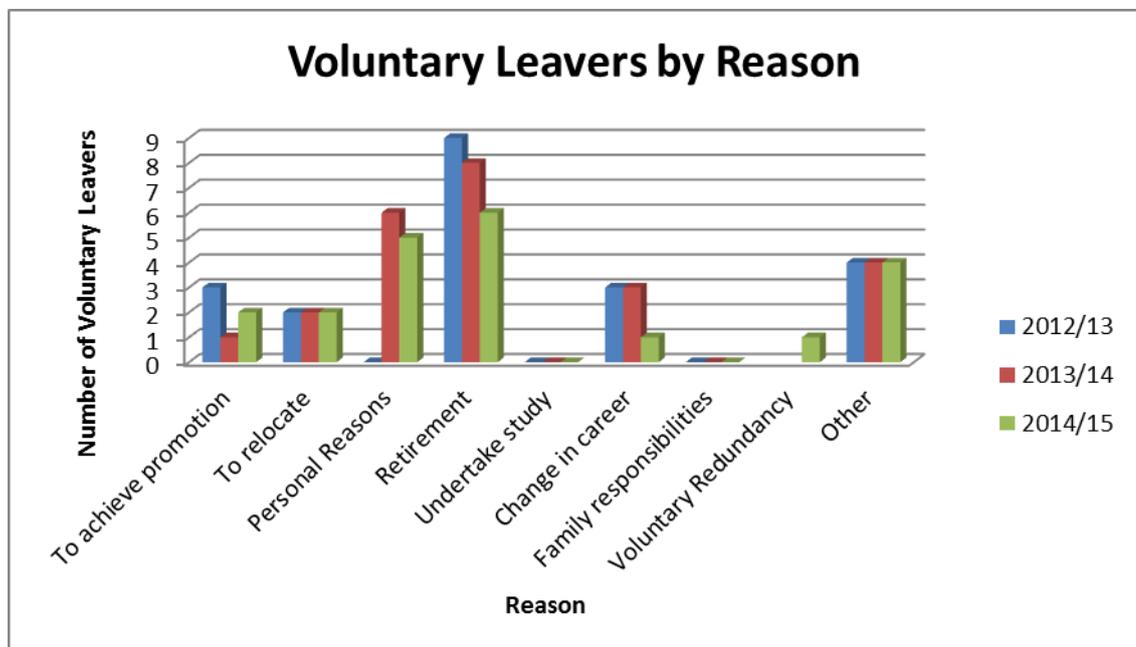
5.3.3 In 2014/15, for those service areas where there has been no restructures (10 in total), turnover declined in 7 of the services, increased in 1 service and remained the same in 2 of the services. The only service area with an increase in turnover was Customer Services and Parking. The reasons for leaving in this service area were due to retirement (2 employees) and due to 'other' (1 employee).

5.3.4 For those service areas that have been restructured, it is difficult to make direct comparisons between the 2013/14 and 2014/15 data. Figure 4 shows there is a high percentage of voluntary leavers in HR & OD (29%) however this only equates to 2 leavers and the figure is skewed due to the small size of the HR & OD team overall. The reasons given for leaving for both employees was 'other' (to gain a permanent role and not returning from maternity leave).

5.4 Voluntary leavers by reason for leaving

5.4.1 Figure 4 shows the reasons for leaving amongst voluntary leavers.

Figure 4



5.4.2 In 2014/15 the top three reasons for leaving were retirement (6), personal reasons (5) and 'other' (4). Of the total voluntary leavers, just over a quarter (29%) left due to retirement. This is due to an

ageing workforce. This reflects the findings from the Equality and Diversity Annual Report 2013/14 which stated that the number of employees in the 65-75 age range had increased over the last 3 years (2.8% in 2011/12 to 5.2% in 2013/14).

6. Recruitment Costs

6.1 This year the Council has spent £57,499.26 on recruitment. There were two senior management appointments made during 2014/15. The recruitment spend, which covers advertising costs, agency or search fees, was for 53 vacancies. Of the 53 vacancies advertised 49 were filled (92%). This equates to an average cost per hire of £1,084.89 (2013/14 £623.90).

6.2 The estimated total cost of recruitment in the UK (advertising costs, agency or search fees) is £2,000 per vacancy (Chartered Institute of Personnel Development (CIPD) Resourcing and Talent Survey 2013). This is the median rate based on recruitment advertising for all positions other than those at Senior Management and Director level.

7. Exit Interview Analysis

7.1 Voluntary leavers are asked to complete a confidential exit interview form upon resigning. If HR identifies any areas of concern a meeting is set up between the HR Officer and employee to explore the issues. HR may also take up actions with the line manager if appropriate. The results of the exit interviews are discussed below.

7.2 Overview

7.2.1 The exit interview return rate for 2014/15 voluntary leavers was 57.14%. This was a slight increase on 2013/14's return rate of 54.8%.

7.2.2 The results of 2014/15 exit interviews are positive. In 2014/15 the majority of leavers (67%) rated the Council as a level 8 or 9 employer on a scale of 1-10 (1 being poor and 10 being excellent). This is an increase from 2013/14 (53%).

7.2.3 83% of respondents said they would recommend the Council as an employer to others. This is a significant improvement on 2013/14 (48%).

7.3 Leavers' feedback on their Line Management

7.3.1 In 2014/15 respondents said that their line manager:

- Always or often gave them help and advice (92%)
- Always or often gave them praise or recognition (92%)

7.3.2 In 2013/14 the outturn was much lower:

- Always or often gave them help and advice (48%)
- Always or often gave them praise or recognition (42%)

7.4 Leavers' feedback on Training, development and promotion opportunities

7.4.1 Overall respondents continued to view training opportunities within the Council positively. All respondents either 'completely' or 'partially' agreed that they had received adequate training. 58% of respondents considered their Induction to be 'completely' or 'partially' effective.

7.4.2 Promotion opportunities within the Council were viewed much more positively amongst leavers than last year. In 2014/15, 75% of respondents considered the prospect for promotion as 'good' in comparison to 13% in 2013/14. In 2014/15, 25% of leavers thought promotional prospects were 'poor' or 'very poor' compared to 27% in 2013/14.

8.0 HR actions taken in 2014/15 to support Recruitment and Retention

8.1 Career Progression/Succession Planning

8.1.1 The Council has continued throughout 2014/15 to explore Council wide initiatives to ensure that employees are developed. For example, job shadowing, coaching and mentoring arrangements have been put in place.

8.1.2 In 2014/15, three employees received sponsored professional development and nine employees undertook secondments.

8.2 Apprenticeships and Voluntary Work Experience

8.2.1 The Council has continued to explore apprenticeships and volunteering opportunities. In 2014/15, an opportunity for an apprentice in Facilities Management was advertised however as yet an appointment has not been made. The Council currently engages a number of volunteers through a work experience scheme run by Job Centre Plus. Two graduates were recruited in 2014 and are currently in the first year of their placement.

8.3 Recruitment Process

8.3.1 A review of the Council's recruitment processes commenced in 2014/15 to consider whether the process should remain in-house. This review is ongoing and is due to be concluded by the end of June 2015.

8.4 Health and Wellbeing

8.4.1 East Herts Health and Wellbeing Strategy 2013-2018 has continued to be supported through the delivery of the Workplan. Some of the projects are:

- Health and Wellbeing intranet pages have been developed for employees and Members. The pages are divided into the Five Ways to Wellbeing themed sections of Connect, Give, Be Active, Take Notice and Keep Learning
- Launch of Step Jockey which encourages increased stair usage for employees in place of using the lift.
- Five Ways to Wellbeing theme launched to employees with merchandise.
- The Herts Healthy Workplace Challenge was promoted which enables employees to track and record their physical activity levels along with a number of other physical activity options on the intranet pages.

8.5 Here to Help

8.5.1 A number of projects have been developed from corporate and local action plans. Employees attended bite size sessions to share success stories. Employees have also completed Pulse Surveys which asked them to express their views on what changes they have seen since the programme started so that areas of success can be built on and areas of improvement can be developed.

8.6 Market Supplements Exercise

8.6.1 A benchmarking exercise was undertaken in 2014/15 to consider whether the Council should pay market supplements in certain posts that are hard to recruit to or where there are retention issues due to higher salaries being paid elsewhere. The exercise is due to be concluded by the end of June 2015.

8.7 Vacancy Control

8.7.1 Throughout 2014/15 the Council has continued to maintain a programme of vacancy control with the Corporate Management Team approving all vacancies.

9. Summary and Recommendations for 2015/16

9.1 The Council's turnover rate is healthy and below target. The Council should therefore continue with the actions outlined in Section 8:

- Support career development and succession planning for its employees
- Attract and support apprentices and volunteers into its workforce
- Implement actions from the 2014/15 East Herts Health and Wellbeing workplan
- Work with employees to implement actions identified from the Here to Help programme

10. Turnover Targets

It is recommended that the turnover targets remain unchanged for 2015/16, as the Council was below target for both turnover rate, voluntary turnover and had improved on the stability index.

Turnover rate	target 2015/16	10%
Voluntary turnover rate	target 2015/16	7%
Stability index	target 2015/16	90%