

East Herts Council Report

Human Resources Committee

Date of Meeting: 5 August 2020

Report by: Head of Human Resources and Organisational Development

Report title: Annual Turnover Report 2019/2020

Ward(s) affected: N/A

Summary

RECOMMENDATION FOR Human Resources Committee:

(a) To note the Annual Turnover Report 2019/2020.

1.0 Proposal(s)

1.1 Members are invited to consider the Annual Turnover Report 2019/2020.

2.0 Background

2.1 The council recognises that having a certain level of employee turnover is healthy. It can help maintain high levels of motivation and ensure fresh blood is injected to generate new ideas and working practices which will, in turn, help the council to grow.

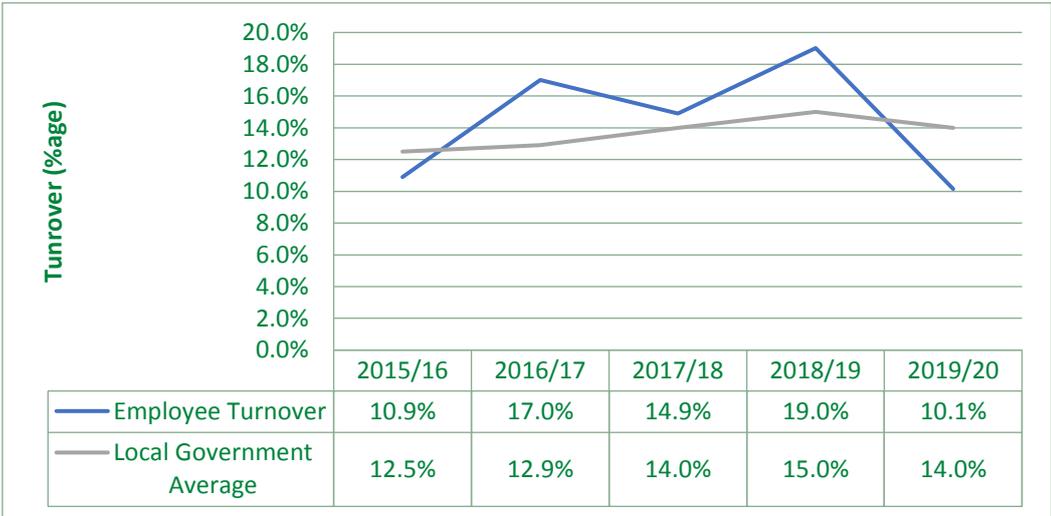
2.2 The council monitors and reports on turnover on a quarterly basis in the HR Quarterly Statistics report which is also considered at Leadership Team and HR Committee.

- 2.3 The Annual Turnover report provides a more in-depth analysis of turnover data for the year. This report considers the period April 2019 to March 2020. It explores the reasons employees are leaving and whether there are any improvements the council could make.
- 2.4 The report includes benchmarking data against previous years and from other local authorities across England.

3.0 Summary

- 3.1 There were a total of 34 leavers in 2019/20: thirty-one of those were voluntary leavers and three were involuntary leavers whose temporary contract had come to an end.
- 3.2 Figure 1 below shows the council’s turnover rate (for all leavers) over the last 5 years compared with the local government average. Turnover in the council in 2019/20 (10.1%) was the lowest it has been over the last 5 years and lower than the local government average (14% in 2018/19*).

Figure 1 – Annual Turnover trends



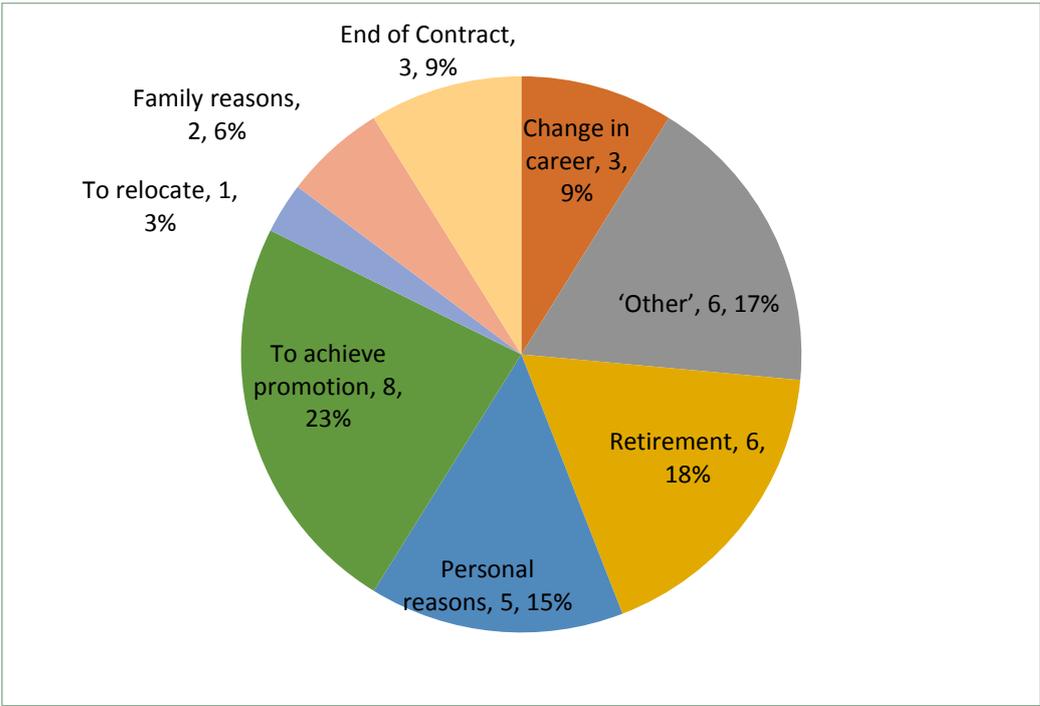
* The Local Government Average is the mean for all local authorities in England and is taken from the ‘LG Inform Benchmarking -Workforce Metrics 2018/19’ (the latest annual turnover data available at the time of writing the report).

3.3 Similarly, the voluntary turnover rate in 2019/20 (9.3%) was the lowest it has been over the last 5 years.

4.0 Reasons for Leaving

4.1 The reasons employees gave for leaving the council in 2019/20 can be found in Figure 2 below.

Figure 2 – Reasons for leaving



4.2 The most common reason for leaving in 2019/20 was to achieve promotion (23%, 8 employees).

4.3 The council is a relatively small organisation with around 330 employees and therefore opportunities for promotion are more limited than in a larger organisation. The council invests in the training and development of its employees which can give them the skills and confidence to progress to the next level. If the promotion opportunities are not available within the council, employees may leave to find them elsewhere. This is common in

our sector and many move to another local authority to achieve promotion and vice versa.

- 4.4 Improvements made from 1 April 2019 to the pay and grading structure, which reduced overlaps along with the introduction of more career graded posts, should create further growth opportunities but this will still be limited by the size of the council. In order to try to retain more employees, the council has also provided funding for professional study to help employees to progress to the next level. Career progression aspirations are identified as part of the Performance Development Review (PDR) process.
- 4.5 The second most common reason for employees leaving in 2019/20 was to retire (18%, 6 employees). Retirement is very much a personal decision made by an employee and is largely outside the influence of the council. Employees are auto-enrolled in the Local Government Pension Scheme which is a much-valued scheme. The council has an older workforce and therefore retirement is likely to continue to be a common reason for leaving. The council has a flexible retirement policy which gives employees the option of reducing their hours whilst drawing their pension.
- 4.6 Six employees (17%) stated 'other' reasons for leaving: one left to travel, one stated they were offered another role, and two left through mutual agreement. Two employees did not expand on their reasons for leaving.

5.0 Stability Rate

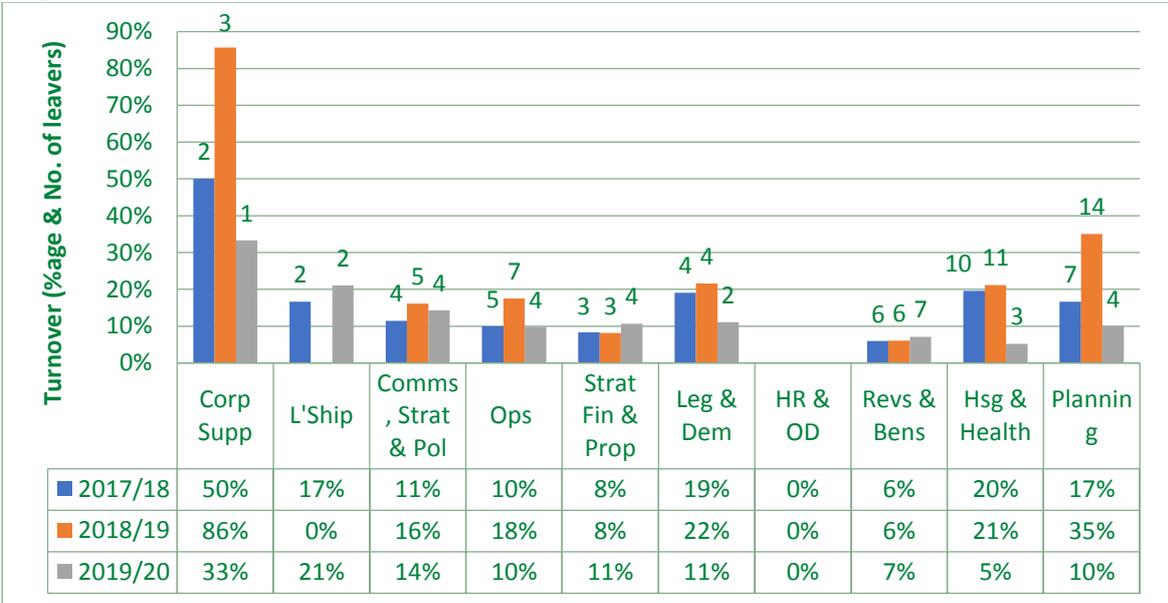
- 5.1 The council reports its stability rate to understand whether it is retaining employees in their first year of service.
- 5.2 The stability rate is calculated by dividing the number of leavers with 1 or more years' service by the total number of voluntary leavers (multiplied by 100 to express as a percentage).

5.3 In 2019/20 the council’s stability rate was 84% which is under its target of 90%. This means that 16% of voluntary leavers (5 employees) had less than 1 years’ service. All 5 employees left for personal reasons (e.g. family responsibilities, to travel) rather than as a result of being dissatisfied with their role.

6.0 Voluntary turnover in each service area

6.1 The voluntary turnover rate in each service area, including comparisons with the previous 3 years, can be found in Figure 3 below.

Figure 3 – Turnover in each service



Average headcount in 2019/20: Corp Supp – 3; L'Ship – 9.5; Comms, Strat & Pol – 28; Ops – 41; Strat Fin & Prop – 37.5; Leg & Dem – 18, HR & OD – 8; Revs & Bens – 98.5; Hsg & Health – 58; Planning – 40.

6.2 Turnover in 2019/20 has increased in 2 out of the 10 services since the previous year (Strategic Finance and Property, and Revenues and Benefits) however the increases were small and were no cause for concern.

6.3 Turnover also increased in the Leadership Team (21% in 2019/20, 2 employees) however the figures are skewed due to the small

number of employees in this team (average headcount for the period was 9.5 employees).

6.4 The Corporate Support Team had the highest turnover rate of 33% (1 employee) however the figures are again skewed due to the small number of employees in this team (average headcount for the period was 3 employees). Turnover in this team has fallen from 86% in 2018/19.

6.5 It is pleasing to note that, of those services seeing reductions in turnover, two have the most difficult-to-recruit-to roles (i.e. Planning and Legal and Democratic Services). Other services seeing reductions in turnover are Housing and Health, Operations, and Communications, Strategy and Policy.

7.0 Exit Questionnaire analysis

7.1 All voluntary leavers are asked to complete an exit questionnaire to help the council identify any improvements it could make e.g. to its policies and practices. The questionnaires are returned to HR however leavers are asked whether their feedback can be shared with their manager.

7.2 Almost two thirds of voluntary leavers (65%, 20 out of 31 leavers) completed an exit questionnaire.

7.3 The key highlights from the exit questionnaires are as follows:

- 70% (14 employees) said that they would rate the council 7 or higher out of 10 as an employer (only 1 employee rated the council less than 5 out of 10);
- 85% (17 employees) said they 'mostly' or 'completely' enjoyed working at the council;
- 70% (14 employees) would recommend the council to others as a good place to work (20%, 4 employees said they wouldn't

recommend the council to others and 10%, 2 employees said they didn't know);

- 75% (15 employees) said that pay was 'good' or 'very good'. This has increased compared to 66% in 2018/19. The improvement in pay scales in April 2019 has clearly had a positive effect on how leavers view the council's pay;
- 75% (15 employees) said they agreed 'completely' or 'partially' that their pay and benefits were reasonable for the work and responsibility undertaken. This is an increase from 69% in 2018/19;
- 40% (8 employees) said that prospects for promotion/advancement were 'good' (55%, 11 employees said they were 'poor' and 5%, 1 employee did not answer the question). The council will continue to upskill employees through e.g. designing career graded posts, funding professional study, arranging training and development opportunities such as secondments;
- 85% (17 employees) said their relationship with their manager was either 'good' or 'excellent' (the remaining 3 employees, 15% didn't answer this question);
- 90% (18 employees) said their relationships with colleagues were either 'good' or 'excellent';
- 65% (13 employees) agreed 'completely' or 'partially' that they had received adequate training/coaching;
- 70% (14 employees) said that flexible working options at the council were either 'good' or 'very good' (3 employees, 15% said they were 'poor' and 3 employees, 15% did not answer the question).

8.0 Vacancy rate

- 8.1 The council monitors its vacancy rate as this can have an impact on employee turnover e.g. employees may feel under additional pressure to cover the work of any vacant posts.
- 8.2 The vacancy rate in 2019/20 was 7.7% which is significantly lower than the local government average (the mean for all English authorities was 15% in 2018/19). The council's vacancy rate has continued to fall over the last two years (13.1% in 2017/18 and 11.1% in 2018/19).
- 8.3 As at 31 March 2020, there were 26 vacant posts across the council. Twenty one (21) posts were on hold (e.g. pending job or structure reviews), and 5 were being actively recruited to.
- 8.4 Of the 21 posts were on hold, 10 were posts in the Planning service that were being held due to an imminent review of the structure and were being covered as appropriate by agency staff. Three of the ten posts were Principal Planning Officer posts which are difficult-to-recruit-to-posts.
- 8.5 The remaining eleven posts on hold were due to e.g. pending a review of the job or the structure in the service area or potentially in relation to channel shift towards more online delivery. Two of these were solicitor roles which are difficult-to-recruit-to-posts. They were being covered by a combination of agency staff and legal support from Barking and Dagenham Council on a trial basis which is being reviewed by the Head of Legal and Democratic Services.
- 8.6 The council has focussed on upskilling employees through introducing career graded posts and funding professional study as well as employing apprentices. Career graded posts allow the recruitment of candidates with more transferable skills which can then be developed.

9.0 Recruitment Costs

- 9.1 Recruitment costs have fallen considerably in 2019/20 (£34,900 compared to £66,633 in 2018/19). Recruitment costs include external advertising costs, agency and search fees.
- 9.2 The cost per hire has also fallen from £1418 in 2018/19 to £727 in 2019/20. This is considerably lower than the UK average cost per hire of £1000 (CIPD Survey 2017).
- 9.3 The council has aimed to keep recruitment costs as low as possible by using social media platforms (e.g. LinkedIn, Twitter), university job boards, the job centre and online jobs boards which are either free or cheaper than the more traditional professional magazines. The purchase of bulk advertising credits with Not For Profit People, who advertise on various online job sites, has helped to keep costs low. An agreement has been reached with the leading generalist job board 'Indeed' for an annual provision of job adverts (60 jobs across the year) which will reduce recruitment costs by a further 75%.

10.0 Actions taken in 2019/20 to improve recruitment and retention

10.1 Recruitment processes were reviewed

- 10.1.1 In 2019, the council began accepting CVs (rather than accepting application forms only) for certain posts as a trial to encourage more candidates to apply.
- 10.1.2 Candidates whose CVs were shortlisted were then asked to complete the council's full application form.
- 10.1.3 This approach was trialled predominantly for difficult-to-recruit-to posts including Environmental Health Officer, Principal Planning Officer and Solicitor, along with 1 other post (Project Manager – Castle Park).

10.1.4 The table below shows that the council had mixed results using this approach. Whilst each post received a reasonable number of CVs, three of the five posts did not result in any candidates being appointed.

| Job Title | No. of CVs received | No. of candidates interviewed | No. of appointments made |
|---------------------------------------|----------------------------|--------------------------------------|---------------------------------|
| Environmental Health Officer | 8 | 2 | 1 |
| Principal Planning Officer | 7 | 2 | 2 |
| Solicitor (Property) | 16 | 2 | 0 |
| Solicitor (Contracts and Procurement) | 10 | 0 | 0 |
| Project Manager (Castle Park) | 13 | 0 | 0 |

10.1.5 Further work has commenced to re-design the job application form so that it has two parts whereby if a CV is submitted with the application, only Part 2 of the application form needs to be completed by the applicant thus making it easier for candidates to apply.

10.2 Trialling a recruitment incentive payment for certain difficult-to-recruit-to roles

10.2.1 A recruitment incentive payment or 'golden hello' was used in June 2019 to attract candidates to apply for the role of Principal Planning Officer. Candidates are given a one-off payment of £5000 after they have successfully completed their probation period and must repay it if they leave within 2 years.

10.2.2 Seven candidates applied for the role, two were interviewed and two appointments were made. One of the successful candidates was an internal permanent employee and the other was an agency worker already working for the council. It

could be argued that the golden hello payment went some way, along with the improvement to pay scales in April 2019, to discouraging the two successful candidates from finding Principal Planning Officer roles with another organisation.

10.3 Improvement in pay scales in April 2019

10.3.1 As already covered in Section 7, the improvement in pay scales in April 2019 has clearly had a positive effect on how leavers view the council's pay and, it could be argued, has contributed to the low turnover rate for 2019/20.

10.4 Promotion of the council's health and wellbeing programme

10.4.1 The council has continued to promote its employee health and wellbeing programme. The programme has included NHS Health checks, Flu jab voucher campaign, free wellbeing taster sessions such as Reiki and Reflexology, Happy Back sessions, Time to Talk Day promotion, lunchtime health walks and signing up to the Time to Change employer pledge. A full list of events can be found in the Annual Health and Wellbeing Report 2019/20. Positive feedback has been received from employees on the wellbeing programme being offered.

10.5 Staff Recognition Scheme

10.5.1 The council's Staff Recognition Scheme, which was launched in February 2019, has continued to reward employees throughout 2019/20 for excellent work or exceptional modelling of the council's values and behaviours.

11.0 Actions planned for 2020/21 to improve recruitment and retention

11.1 The 'Working for Us' page on the council's website is being updated to better promote the benefits of working for the council.

- 11.2 The council will monitor the success of the new two part job application process using feedback from managers and candidates.
- 11.3 From June 2020 the council will advertise all jobs on the Indeed website (the largest online general job board) on a 1 year's trial basis. The package will include a branded page giving the ability to promote the benefits of working for the council, include case studies and videos, and employees/applicants will be able to leave reviews regarding their experience of the council as a recruiter/employer.
- 11.4 As part of the East Herts Together programme, core competencies are being developed to allow more transferable skills to be recognised in the selection process.
- 11.5 The council's exit questionnaire document will be redesigned to increase the range of feedback from leavers.

12.0 Options

N/A

13.0 Risks

N/A

14.0 Implications/Consultations

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

No

Health and Safety

No

Human Resources

As covered in the report

Human Rights

No

Legal

No

Specific Wards

No

15.0 Background papers, appendices and other relevant material

None

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