

East Herts Council TURNOVER REPORT 1 APRIL 2015 – 31 MARCH 2016

1. Summary

- 1.1 This report provides a detailed analysis of turnover for the financial year 2015/16. Turnover is analysed by reason, length of service and service area.
- 1.2 Overall there has been an increase in turnover in 2015/16 to 10.85% compared to 8.17% in 2014/15 (excluding shared services transferors)

2. Turnover

- 2.1 Figure 1 below shows that for 2015/16 the council's turnover rates have increased since the previous year and have not met the targets (total turnover is 10.85% against a target of 10% and voluntary turnover is 9.49% against a target of 7%).

Figure 1 – Turnover figures and Stability Index over the last 3 years

	Average Head count	Number of leavers			Total Turnover (1)	Voluntary Turnover	Stability Index (4)
		Total	Voluntary	Involuntary	Percentage	Percentage	Percentage
Targets (2)					10.00%	7.00%	90%
2015/16	369	40	35	5 (3)	10.85%	9.49%	63%
2014/15	355	29	21	8	8.17%	5.92%	81%
2013/14	355	47	25	22	13.24%	6.20%	64%

(1) Turnover rates are based on average headcount

(2) Targets were set in 2011/12

(3) Does not include those employees who transferred to DWP in April 2015

(4) The Stability Index is calculated by dividing the number of voluntary leavers with 1+ years' service by the total number of voluntary leavers (multiplied by 100 to express as a percentage)

2.2 By excluding from the figures those employees who are retiring (15 in total), the total number of voluntary leavers would be 20 giving a voluntary turnover rate of 5.4% which is below the target of 7%.

2.3 Figure 1 also shows that the council’s Stability Index for 2015/16 (63%) has not met the target (90%). The Stability Index indicates the retention rate of employees with over 1 years’ service and gives a clear indication whether the council is retaining employees in the first year of service. Where employees are leaving with less than 1 years’ service, this may indicate problems with the council’s recruitment processes.

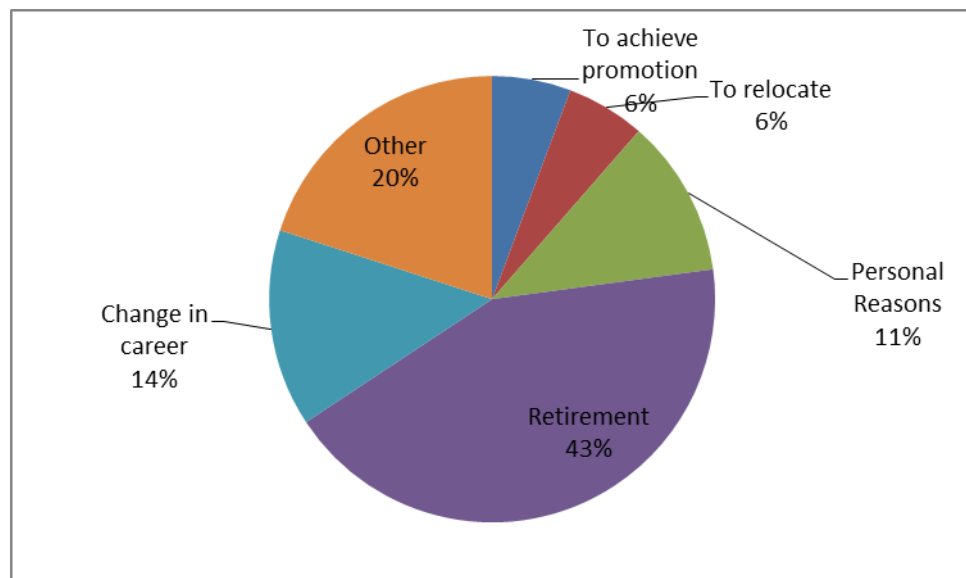
2.4 Reasons for leaving are analysed in Section 3.

3. Voluntary Turnover

3.1 Voluntary leavers by reason for leaving

3.1.1 Figure 2 shows the reasons why employees left the council in 2015/16.

Figure 2 – Reasons for leaving in 2015/16



3.1.2. The most common reason for leaving in 2015/16 was retirement (15 employees, 43%), followed by ‘other’ (7 employees, 20%) and change in career (5 employees, 14%).

3.1.3 Figure 3 compares the reasons for leaving in 2015/16 against previous years

Figure 3 – Reasons for leaving (voluntary) over the last 3 years

	Reason (1)	2015/16		2014/15		2013/14	
1	Retirement	43%	15	29%	6	33%	8
2	'Other'	20%	7	19%	4	17%	4
3	Change in career	14%	5	4.5%	1	13%	3
4	Personal reasons	11%	4	24%	5	25%	6
5	To achieve promotion	6%	2	9.5%	2	4%	1
6	To relocate	6%	2	9.5%	2	8%	2
7	Voluntary Redundancy	0%	0	4.5%	1	0%	0

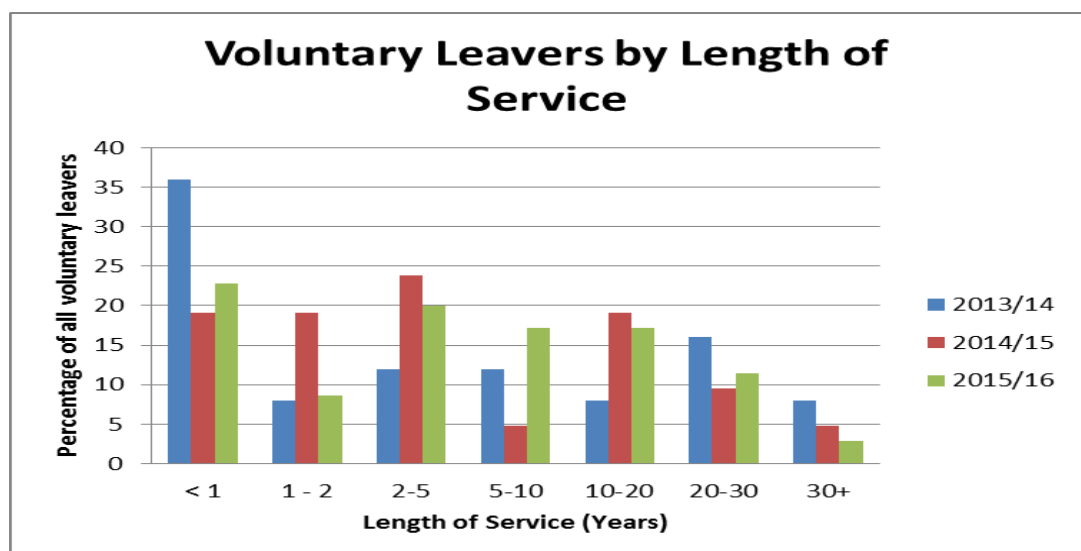
(1) Reasons for leaving are taken from the leavers form that HR ask leavers to complete

3.1.4 The council is aware that it has an ageing workforce profile and is taking action to address this (see Section 7).

3.2 Voluntary leavers by length of service

3.2.1 Figure 4 shows the length of service of voluntary leavers over the last 3 years. In 2015/16 almost a quarter (23%) of all voluntary leavers left with less than 1 years' service which is an increase from the previous year (19% in 2014/15).

Figure 4 – Voluntary Leavers by Length of Service



3.2.2 Those employees who left voluntarily with less than 1 years' service gave the following reasons for leaving:

Reason for leaving	Number of leavers
Change in career	3
'Other'	3
Personal Reasons	2

3.2.3 Those employees who left voluntarily with less than 1 years' service were employed in the following services:

Service	Number of leavers
Revenues and Benefits	4
Waste Services	1
Property Services	1
Hertford Theatre	1
Community Safety & Health Services	1

3.2.3.1 Exit interview questionnaires were further analysed for those voluntary leavers with less than 1 years' service (see ERP C). Of the 8 in total, 5 (63%) completed an exit questionnaire.

3.2.3.2 The exit questionnaire is split into 4 main sections:

- Job Description and duties
- Relationships with manager and colleagues
- Training and Development
- Pay and Other Conditions

3.2.3.3 With regard to their job description and duties, most leavers either completely or partially agreed that their duties were clearly defined and that their job description was accurate. However most leavers (3) stated that the role was not really what they expected.

3.2.3.4 Voluntary leavers with under 1 years' service reported good or excellent relationships with their manager and colleagues.

- 3.2.3.5 Only 1 leaver reported that their manager never gave them praise/recognition and never listened to their ideas and suggestions.
- 3.2.3.6 With regard to training and development, only 1 leaver stated that they didn't think they had an effective induction nor had adequate training. Most leavers (3) stated that the prospects for promotion/advancement were good or excellent.
- 3.2.3.7 Leavers stated that the council's pay and benefits were either good or very good. However all leavers stated that they only partially agreed that the pay and benefits were reasonable for the work and responsibility for the work undertaken.
- 3.2.3.8 When asked how they would rate the council as an employer on a scale of 1-10 (1 being poor and 10 being excellent), leavers were positive with the average score being 9 and with all leavers giving a rating of at least 6 or above.
- 3.2.3.9 Four out of five leavers (80%) reported that they would recommend others to join the council. The fifth leaver did not provide an answer.
- 3.2.3.10 Human Resources are working with services to understand the reasons why employees are leaving within under 1 years' service.

3.3 Voluntary leavers by service area

- 3.3.1 Table 1 on the next page shows voluntary leavers by service area. Where service areas are not shown there have been no leavers in these services in 2015/16.
- 3.3.2 Table 1 also includes the reasons for employees leaving in those service areas.

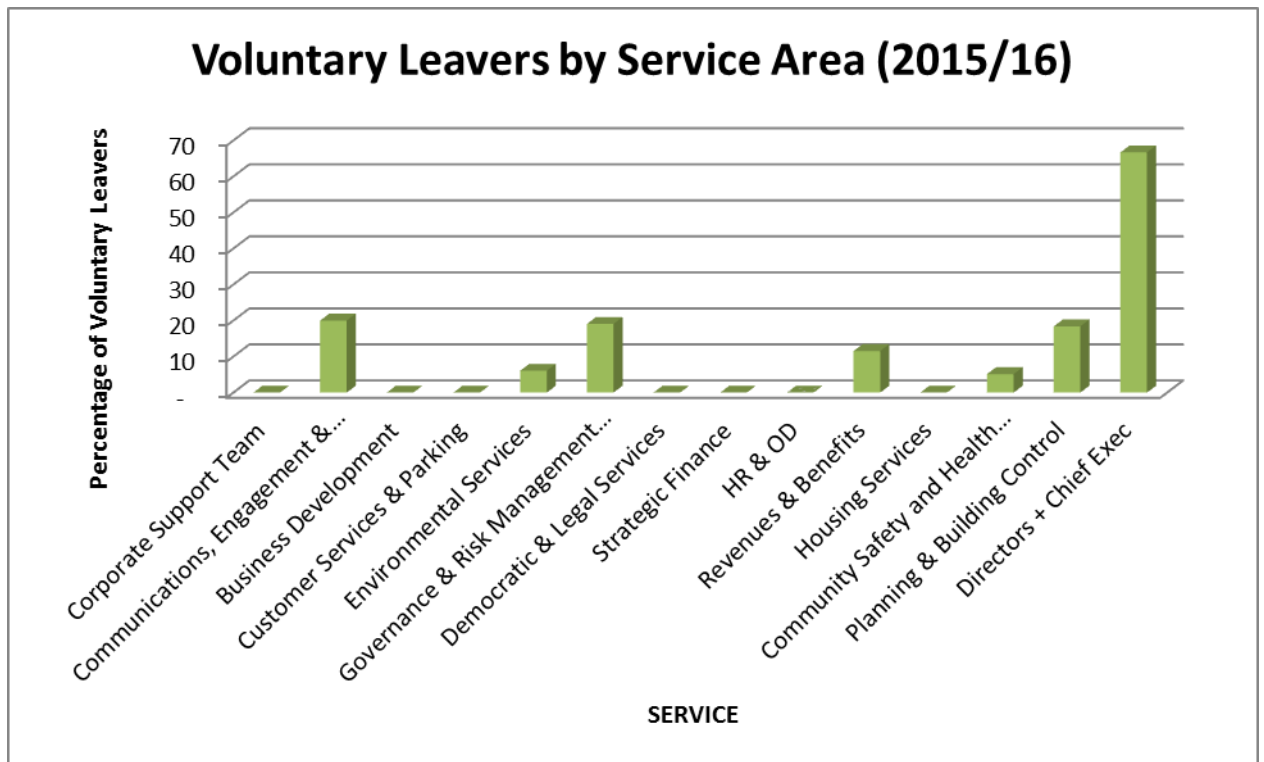
Table 1 – Voluntary Leavers by service area (including reasons for leaving)

Service Area	Number of Voluntary Leavers	Head count as at 31 March 2016	Turnover (Percentage)	Reasons
Directors and Chief Executive	2	3	67%*	Retirement (2) 100%
Communications, Engagement & Cultural Services	4	20	20%	Retirement (1) 25% Relocate (1) 25% Personal (1) 25% Other (1) 25%
Governance & Risk Management	4	21	19%	Retirement (1) 25% Other (2) 50% Personal (1) 25%
Planning & Building Control	9	49	18%	Retirement (6) 67% Promotion (2) 22% Personal (1) 11%
Revenues & Benefits	12	104	12%	Retirement (5) 42% Career change (3) 25% Other (3) 25% Personal (1) 8%
Environmental Services	2	33	6%	Career change (1) 50% Relocate (1) 50%
Community Safety and Health Services	2	39	5%	Career change (1) 50% Other (1) 50%

* Figure is skewed due to the small number of employees in this group.

3.3.3 Voluntary leavers by service area are also shown in Figure 5 below.

Figure 5 - Voluntary Leavers by service area



4. Vacancy Rate

- 4.1 The overall vacancy rate for 2015/16 is 6.30%*. This is a slight decrease from the outturn for 2014/15 which was 6.65% and is also higher than the latest average vacancy rate for shire district councils of 5.6% (Local Government Workforce Survey 2014/2015).

*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. Recruitment Costs

- 5.1 This year the council has spent £50,939 on recruitment. There were four senior management appointments made during 2015/16. The recruitment spend, which covers advertising costs, agency or search fees, was for 45 vacancies. Of the 45 vacancies advertised 40 were filled (89%). This equates to an average cost per hire of £1131 (2014/15 £1,085).

5.2 For the recent Head of Services and Director recruitment programme, the council used social media (LinkedIn and Twitter) which proved cost effective and an efficient method in recruiting.

5.3 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 2015). This is the median rate based on recruitment advertising for all positions other than those at Senior Management and Director level.

6. Exit Interview Analysis

6.1 Voluntary leavers are asked to complete a confidential exit questionnaire 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 manager if appropriate. The results of the exit questionnaires are discussed below.

6.2 Overview

6.2.1 The exit questionnaire return rate for 2015/16 voluntary leavers was 60% This was an increase on 2014/15's return rate of 57%.

6.2.2 The results of 2015/16 exit questionnaires are positive. In 2015/16 the majority of leavers (71%) rated the Council as a level 8, 9 or 10 employer on a scale of 1-10 (1 being poor and 10 being excellent). This is an increase from 2014/15 (67%).

6.2.3 95% of respondents said they would recommend the Council as an employer to others. This is a significant improvement on 2014/15 (83%).

6.3 Leavers' feedback on their Line Management

6.3.1 In 2015/16 respondents said that their line manager:

- Always or often gave them help and advice (76%)
- Always or often gave them praise or recognition (76%)

6.3.2 In 2014/15 the outturn was higher:

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

6.4 Leavers' feedback on Training, development and promotion opportunities

6.4.1 Overall respondents continued to view learning and development opportunities within the Council positively. Most respondents (95%) agreed either 'completely' or 'partially' that they had received adequate learning and development. 90% of respondents considered their Induction to be 'completely' or 'partially' effective.

6.4.2 In 2015/16, 76% of respondents considered the prospect for promotion as 'good' or 'excellent' in comparison to 75% in 2014/15. In 2015/16, 14% of leavers thought promotional prospects were 'poor' or 'very poor' compared to 25% in 2013/14 (10% of respondents did not respond to this question).

7.0 HR actions taken in 2015/16 to support Recruitment and Retention

7.1 Career Progression/Succession Planning

7.1.1 The council has continued throughout 2015/16 to explore council wide initiatives to ensure that employees are developed. For example, job shadowing, coaching and mentoring arrangements have been put in place.

7.1.2 In 2015/16, seven employees received sponsored professional development and six employees undertook secondments.

7.1.3 Workforce plans have been developed for each service to help them to plan their workforce changes in terms of recruitment and learning and development. As a result, some services e.g. Planning and Building Control have introduced career graded posts to help with succession planning.

7.2 Apprenticeships, Graduates and Voluntary Work Experience

- 7.2.1 The council has continued to explore apprenticeships and volunteering opportunities. The council will be launching an apprenticeship programme in 2016. This will ensure the council has met its recruitments under the government's new Apprenticeship Levy Scheme in April 2017. The council currently engages a number of volunteers through a work experience scheme run by Job Centre Plus.
- 7.2.2 Two graduates were recruited in 2014 and are currently in the second year of their placement. New graduates have recently been recruited through the National Graduate Development Programme (NGDP) and through partnership with HCC.
- 7.2.3 HR representatives attended two careers carousels at local schools to help promote the work of the council. A third careers fair is planned for June 2016. The council was also able to support a number of work placements throughout 2015/2016.

7.3 Review of the council's recruitment process

- 7.3.1 A review of the Council's recruitment processes was concluded in June 2015 and considered whether the process was fit for purpose and should remain in-house. This review was presented to senior managers in September 2015 and to HR Committee in October 2015.
- 7.3.2 The review has found that, on the whole, East Herts Council's recruitment process is working reasonably well and is in line with best practice however it recommended that the council should widen its candidate attraction methods to include social media and to refresh the jobs and career pages of its website. An action plan was developed.
- 7.3.3 In early 2016, the council used social media such as LinkedIn and Twitter, in addition to the more traditional methods, to advertise several senior management positions. By doing so the council was able to attract significant numbers of good

quality candidates and to successfully recruit to each post in a timely and cost effective manner.

7.4 Health and Wellbeing

7.4.1 The East Herts Health and Wellbeing Strategy 2013-2018 has continued to be supported through the delivery of the Work plan. Some of the projects in 2015/16 have been:

- Various stair climbing challenges including the World Towers challenge in June 2015 and the Everest challenge in February 2016.
- Time to Talk day in February 2016 which was a national initiative to encourage employees to take a break from work to have a tea or coffee with their colleagues and to raise awareness of mental health issues.
- HR launched monthly coaching drop in sessions for employees in October 2015 which are an opportunity for employees to develop themselves through confidential one to one discussions to enhance their skills, knowledge or work performance.
- Continued promotion of the Cycle to Work Scheme.
- Bike Week Breakfast was held in June 2015 which is an annual event the council holds to encourage employees to use bikes and to walk more.
- The council promoted two group smoking cessation programmes for employees in conjunction with the Hertfordshire Stop Smoking Service.

7.5 Investors in People

7.5.1 In August 2015, the council was successful in obtaining the Investors in People bronze award which demonstrates the council's commitment to developing and supporting its employees. At the time of writing this report, the council has since (April 2016) been successful in achieving the Silver award.

7.6 Here to Help

- 7.6.1 A number of projects have been developed from corporate and local action plans. The views and input of employees continue to be raised at the staff forums.

7.7 Vacancy Control

- 7.7.1 Throughout 2015/16 the Council has continued to maintain a programme of vacancy control with the Corporate Management Team approving all vacancies.

8. Summary and Recommendations for 2016/17

- 8.1 The actions identified to be delivered in 2016/17 should support the council improving its turnover rates and reasons for leaving:

- Supporting services to implement their workforce plans (through career development and succession planning for its employees).
- Embed the council's values and behaviours.
- Continue to attract and promote young people into local government (apprentices, graduates, work placements, secondments, sabbaticals and volunteers). Continue initiatives such as career fayres, partnerships with schools (Hertfordshire LEP).
- Implement actions from the East Herts Health and Wellbeing work plan
- Engage with employees through the Staff Forum and other forums
- Continue to implement the recruitment action plan; looking at modern, innovative ways to recruit
- Build on the success of achieving the Investors in People silver award through the delivery of the Organisational Development Strategy 2015-2019.

- 8.2 HR to review the exit interview process to ensure that it is fit for purpose and reflects the council's behaviours and values.
- 8.3 To monitor leavers in their first year of service; identify patterns and implement actions to reduce the number of voluntary leavers in this field.

9. **Turnover Targets**

It is recommended that the turnover targets remain unchanged for 2016/17.

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