

East Herts Council TURNOVER REPORT 1 APRIL 2016 – 31 MARCH 2017

1. Summary

- 1.1 This report provides a detailed analysis of turnover for the financial year 2016/17. Turnover is analysed by reason, length of service and service area.
- 1.2 Overall there has been an increase in turnover in 2016/17 to 14.4% compared to 10.85% in 2015/16. This does not include Building Control staff who transferred out of the council under TUPE.

2. Turnover

- 2.1 Figure 1 shows that the council's turnover for 2016/17 was 14.40% (52 employees). This is an increase since the previous year (10.85%) and is over the target (10%). This figure does not include Building Control employees who transferred out under TUPE in August 2016. The total turnover, including Building Control transferees, was 17%.
- 2.2 The Local Government Workforce Survey 2015/16 published in March 2017 reported that total labour turnover for districts in 2015/16 was 12.5%.
- 2.3 Voluntary Turnover in 2016/17 was 11.36% (41 employees) which is an increase on the previous year (9.49%) and has not met the target (7%).
- 2.4 Figure 1 also shows that the council's Stability Index for 2016/17 (85%) has improved since 2015/16 (63%). It however remains slightly lower than the council's target of 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.

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

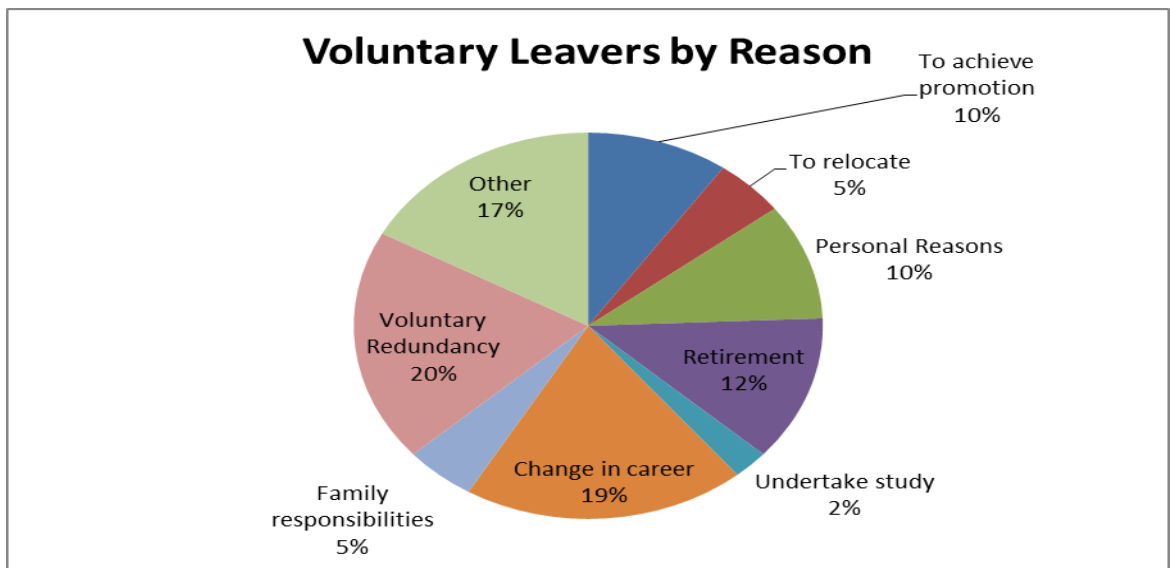
	Average Head count	Number of leavers			Total Turnover ⁽¹⁾	Voluntary Turnover	Stability Index ⁽³⁾
		Total	Voluntary	Involuntary	Percentage	Percentage	Percentage
Targets					10.00%	7.00%	90%
2016/17 <i>(figures in brackets include staff leaving under TUPE)</i>	361	52 (62)	41	11 (21)	14.40% (17.00%)	11.36%	85%
2015/16	369	40	35	5 (2)	10.85%	9.49%	63%
2013/14	355	29	21	8	8.17%	5.92%	81%

- (1) Turnover rates are based on average headcount
- (2) Figures do not include those employees who transferred to DWP in April 2015
- (3) 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)

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 2016/17.



3.1.2. The two most common reasons for leaving in 2016/17 were voluntary redundancy (19.5%) and change in career (19.5%). A number of service restructures were completed in 2016/17 which would have contributed to these being the most common reasons for turnover.

3.1.3 Figure 3 compares the voluntary reasons for leaving in 2016/17 against the previous 2 years

	Reason	2016/17		2015/16		2013/14	
1	Voluntary redundancy	19.5%	8	0%	0	4.5%	1
2	Change in career	19.5%	8	14%	5	4.5%	1
3	'Other'	17%	7	20%	7	19%	4
4	Retirement	12%	5	43%	15	29%	6
5	Personal reasons	10%	4	11%	4	24%	5
6	To achieve promotion	10%	4	6%	2	9.5%	2
7	To relocate	5%	2	6%	2	9.5%	2
8	Family reasons	5%	2	0%	0	0%	0
8	Undertake study	2%	1	0%	0	0%	0

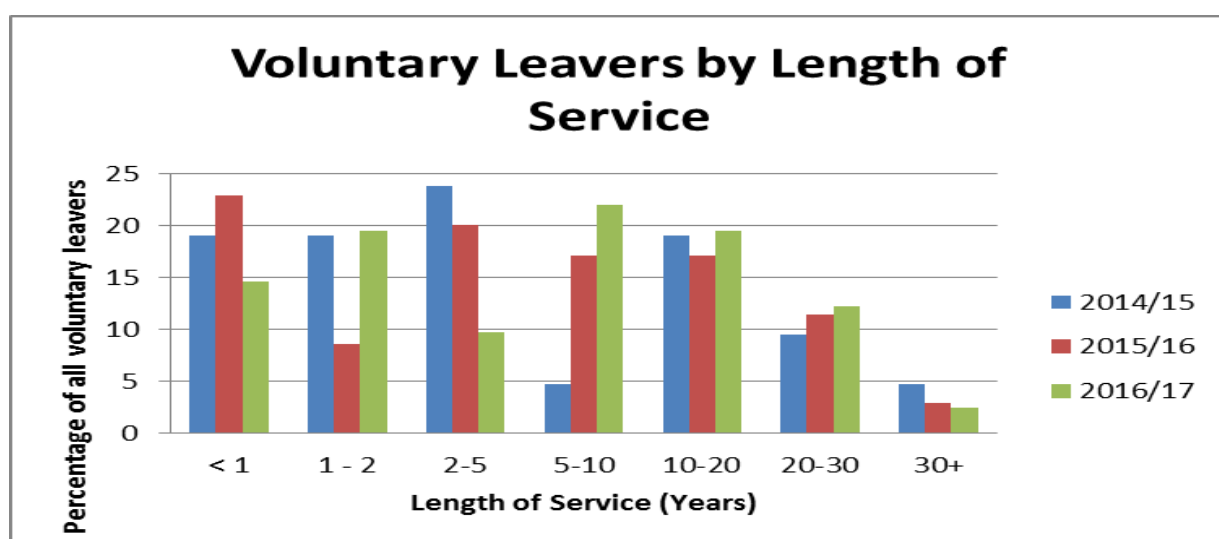
3.1.4 The percentage of leavers who left due to retirement in 2016/17 (12%, 5 employees), is significantly lower than in 2015/16 (43%, 15 employees).

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. The percentage of leavers in 2016/17 with less than 1 years' service (15%) has decreased since 2015/16 (23%). This is a positive improvement; demonstrating that improved recruitment and retention initiatives focused on under one years' service have started to make an impact.

3.2.2. The table shows an increase in the number of leavers in the categories 5-10 and above, this could be due to long servicing employees leaving by voluntary redundancy or career changes. It is not uncommon during organisational restructures for employees to reflect on whether they wish to be part of the new service and new ways of working or whether they wish to take the opportunity to try something new in another organisation.

Figure 4 – Voluntary Leavers by Length of Service



3.3 Voluntary leavers by service area

3.3.1 Table 1 shows voluntary leavers by service area and 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 2017	Turnover (%)	Reasons
Corporate Support	1	4	25%*	Promotion (1) 100%
Leadership Team (restructured)	3	12	25%	Voluntary Redundancy (3) 100%
Communications, Strategy & Policy (restructured)	8	30	27%	Promotion (1) 12.5% Undertake Study (1) 12.5% Career Change (2) 25% Voluntary Redundancy (3) 37.5% Other (1) 12.5%
Operations	2	59	3%	Personal (1) 50% Other (1) 50%
Strategic Finance & Property (restructured)	2	35	6%	Promotion (1) 50% Undertake Study (1) 50%
Legal &	8	22	36%	Personal (2) 25%

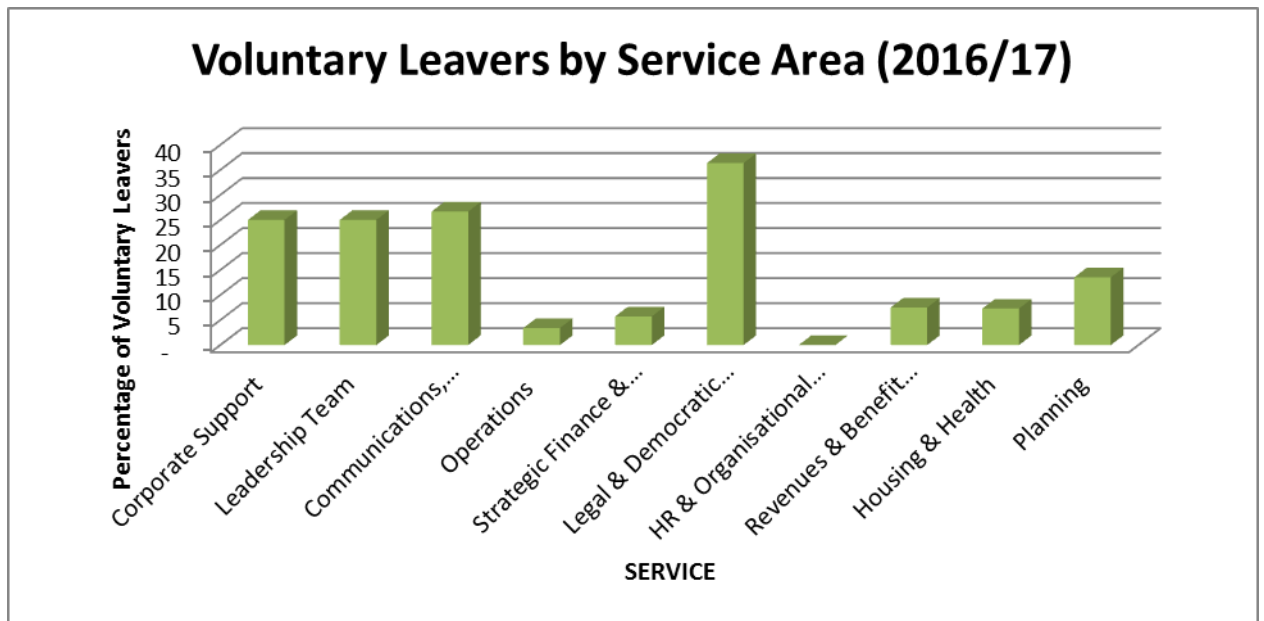
Democratic Services (new ways of working/location changes implemented)				Retirement (4) 50% Career Change (1) 12.5% Voluntary Redundancy (1) 12.5%
HR & Organisational Development	0	9	0%	
Revenues & Benefit Services	8	107	7%	Promotion (2) 25% Personal Reasons (2) 25% Career Change (2) 25% Family Reasons (1) 12.5% Other (1) 12.5%
Housing & Health (restructured)	4	55	7%	Promotion (1) 25% Career Change (2) 50% Family Reasons (1) 25%
Planning (restructured)	5	37	14%	Relocation (2) 40% Career Change (1) 20% Other (2) 40%

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

3.3.2 Legal and Democratic services has the highest voluntary turnover (36%). This equates to 8 leavers in 2016/17, 4 of whom (50%) left due to retirement. This service has been restructured and therefore roles, location and ways of working have changed throughout the year.

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

Figure 5 - Voluntary Leavers by service area



4. Involuntary Leavers

4.1 Involuntary Turnover in 2016/17 was 6% (21 employees). Ten employees (47.6%) left due to being transferred out under TUPE, six (28.6%) due to compulsory redundancy, three (14.3%) due to their contracts coming to an end and two (9.5%) due to other reasons.

4.2 The Local Government Workforce Survey 2015/16 reported that 3 people transferred into districts under TUPE as an average in 2015/16 and 8 transferred out of employment of the council.

5. Vacancy Rate

5.1 The overall vacancy rate for 2016/17 is 9.11%*. This is an increase from the outturn for 2015/16 which was 6.30% and is also higher than the latest average vacancy rate for district councils of 7.1% (Local Government Workforce Survey 2015/2016).

*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.

- 5.2 The council has held some vacancies due to pending restructures and the single customer services project.
- 5.3 The Local Government Workforce Survey 2015/16 reported that the top three posts that district councils experienced retention difficulties with were Planning Officers (31%, 13 councils), Building Control Officers (21%, 9 councils), and Civil Enforcement Officers (12%, 5 councils).
- 5.4 Table 2 shows voluntary leavers in the council by profession and reflects some of the difficulties other councils are experiencing particularly in terms of retaining Planning and Building Control staff.

Table 2 – Voluntary Leavers by profession ⁽¹⁾

Job Title	Number of leavers
District Surveyors (Building Control)	2
Planning Officers	2
Enforcement Officers	1
Housing	1
Environmental Health	1
Solicitor/legal services ⁽²⁾	3
Digital Media and Information ⁽³⁾	3

(1) Please note that the data does not include all voluntary leavers if they do not fall within a particular profession e.g. administrative staff

(2) 2 of the 3 employees left to retirement

(3) All 3 employees left on voluntary redundancy

6. Recruitment Costs

- 6.1 In 2016/17 the council spent £44,478 on recruitment. There were two leadership team appointments made during 2016/17. The recruitment spend which covers external advertising costs, agency or search fees, was for 48 vacancies (advertised externally). This equates to an average cost per hire of £927 (£1131 in 2015/16). Of the 48 vacancies advertised 39 were filled (81%). The 9 remaining unfilled posts were put on hold due to pending restructures.
- 6.2 The council has continued to use social media (i.e. LinkedIn and Twitter), alongside more traditional advertising methods,

which has proved cost effective and an efficient method in recruiting.

- 6.3 The estimated total cost of recruitment in the UK (advertising costs, agency or search fees) is £1,000 per vacancy (Chartered Institute of Personnel Development (CIPD) Resourcing and Talent Survey 2017). This is the median rate based on recruitment advertising for all positions other than those at senior management and director level in the public service sector.
- 6.4 The Local Government Workforce Survey 2015/16 reported that 6 districts had reported a recruitment freeze in 2015/16. 55% of districts said their council was currently experiencing recruitment and retention difficulties.

7. Exit Interview Analysis

- 7.1 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.

7.2 Overview

- 7.2.1 The exit questionnaire return rate for 2016/17 voluntary leavers was 63%. This was an increase on 2015/16's return rate of 60%.
- 7.2.2 The results of 2016/17 exit questionnaires are positive. In 2016/17 the majority of leavers (62%) 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 has decreased from 2015/16 (71%). However this is not an unusual dip in ratings if the council has gone through restructures.
- 7.2.3 96% of respondents said they would recommend the council as an employer to others. This is a slight improvement on 2015/16 (95%).

7.3 Leavers' feedback on their Line Management

7.3.1 In 2016/17 respondents said that their line manager:

- Always or often gave them help and advice (92%)
- Always or often gave them praise or recognition (81%)

7.3.2 In 2015/16 the outturn was lower:

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

7.4 Leavers' feedback on Training, development and promotion opportunities

7.4.1 Overall respondents continued to view learning and development opportunities within the council positively. Most respondents (81%) agreed either 'completely' or 'partially' that they had received adequate learning and development. 85% of respondents considered their Induction to be 'completely' or 'partially' effective.

7.4.2 In 2016/17, 62% of respondents considered the prospect for promotion as 'good' or 'excellent' in comparison to 76% in 2015/16. In 2016/17, 27% of leavers thought promotional prospects were 'poor' or 'very poor' compared to 14% in 2015/16.

8.0 HR actions taken in 2016/17 to support Recruitment and Retention

8.1 Career Progression/Succession Planning

8.1.1 The council has continued throughout 2016/17 to explore council wide initiatives to ensure that employees are developed. For example, job shadowing, career grade roles, coaching and mentoring arrangements have been put in place.

8.1.2 In 2016/17, three employees received sponsored professional development and six employees undertook secondments.

8.1.3 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.

8.2 Apprenticeships and Graduates

8.2.1 The council launched its apprenticeship scheme in 2016/17 and seven apprentices joined the council. In 2017/18 the council will continue to develop its apprenticeship programme.

8.2.2 New graduates have recently been recruited through the National Graduate Development Programme (NGDP) and through partnership with HCC.

8.2.3 HR representatives attended three careers carousels at local schools to help promote the work of the council. The council was also able to support a number of work placements throughout 2016/2017.

8.3 Improved recruitment process

8.3.1 New jobs and career pages have been launched with the new designed website for the council. Candidates can find information more easily and information supporting the application process has been included.

8.3.2 A section on opportunities for young people has been added to the jobs and career pages which includes information for graduates, apprentices and those interested in work experience at the council.

8.3.3 Recruitment forms, such as the external application form, the equalities monitoring form and the volunteering application form, have been redesigned to ensure they are easier to complete and professional looking for candidates.

8.3.4 The council has used social media such as LinkedIn and Twitter, in addition to the more traditional methods, to advertise roles. 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.

9. **Summary and Recommendations for 2017/18**

9.1 The actions identified to be delivered in 2017/18 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).
- Continue to embed the council's values and behaviours.
- To identify initiatives to improve recruitment and retention difficulties.
- To work with partners on ways to attract people into working for local government.
- 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).
- Engage with employees through the Staff Forum and other forums
- Continue to implement and improve the recruitment action plan; looking at modern, innovative ways to recruit
- Continue to use social media methods of promoting vacancies

9.2 HR to review the exit interview process to ensure that it is fit for purpose and reflects the council's behaviours and values.

10. Turnover Targets

It is recommended that the turnover targets remain unchanged for 2017/18.

Turnover rate	target 2017/18	10%
Voluntary turnover rate	target 2017/18	7%
Stability index	target 2017/18	90%