

East Herts Council Report

Human Resources Committee

Date of Meeting: 26 May 2021

Report by: Head of Human Resources and Organisational Development

Report title: Annual Turnover Report 2020/2021

Ward(s) affected: N/A

Summary

RECOMMENDATION FOR HUMAN RESOURCES COMMITTEE:

(a) To consider the Annual Turnover Report 2020/2021 including the actions (in section 11.0) planned for 2021/22 and provide any comments to the Head of HR and OD.

1.0 Proposal(s)

1.1 Members are invited to consider the Annual Turnover Report 2020/2021.

2.0 Background

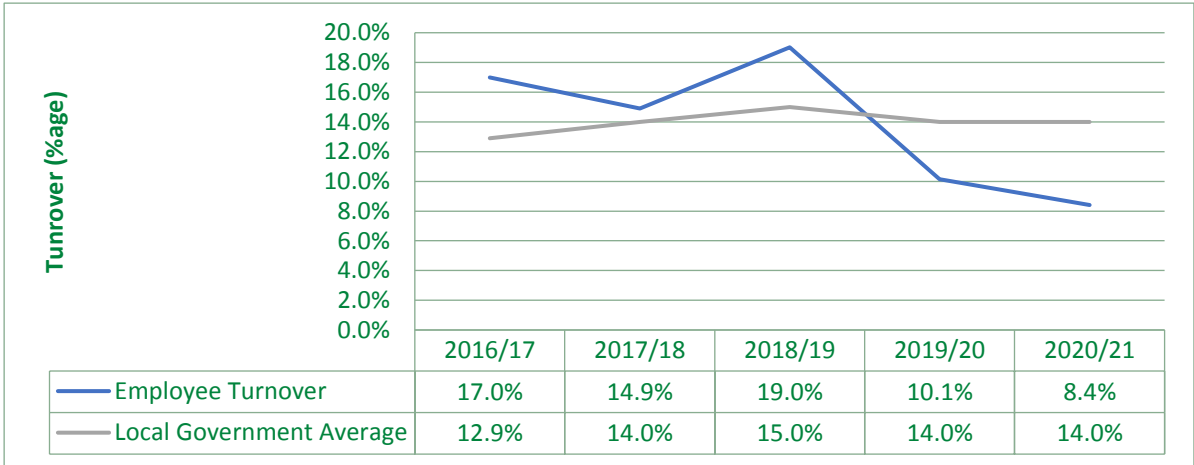
2.1 The council recognises that having a certain level of employee turnover is healthy. It can help maintain high levels of motivation and ensure fresh blood is injected to generate new ideas and working practices which will, in turn, help the council to grow.

- 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 2020 to March 2021. 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 28 leavers in 2020/21: twenty one of those were voluntary leavers and seven were involuntary leavers, one whose temporary contract had come to an end and six who were made redundant.
- 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. Global Turnover (both voluntary and involuntary) in the council in 2020/21 (8.4%) 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



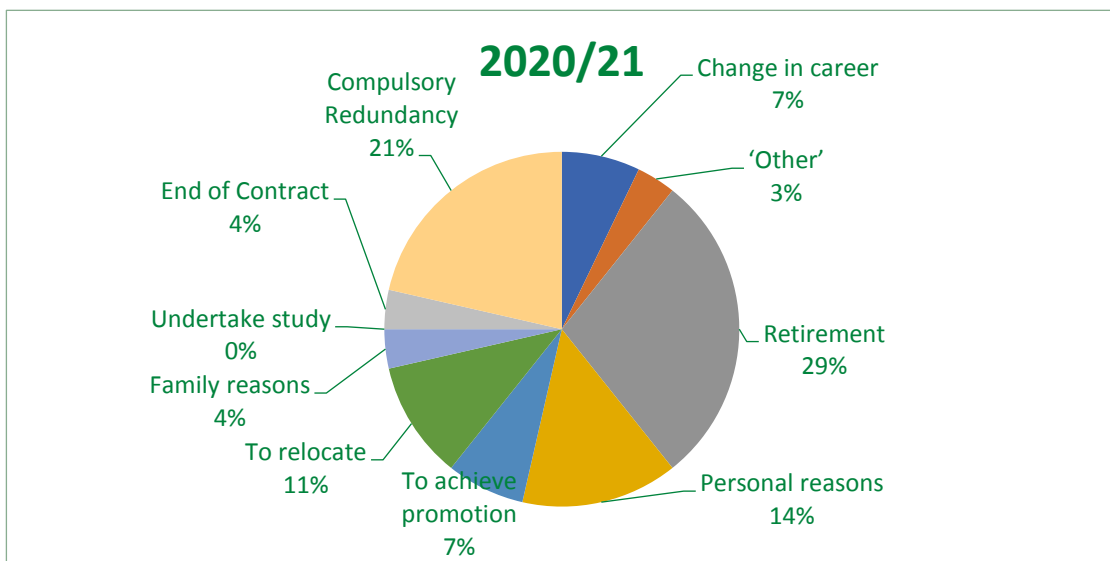
*The Local Government Average is the mean for all local authorities in England and is taken from the 'LG Inform Benchmarking -Workforce Metrics 2018/19' (the latest annual turnover data available at the time of writing the report).

3.3 Similarly, the voluntary turnover rate in 2020/21 (6.3%) 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 2020/21 can be found in Figure 2 below.

Figure 2 – Reasons for leaving



The most common reason for leaving in 2020/21 was retirement (29%, 8 employees).

4.3 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 potential option of reducing their hours whilst drawing their pension.

4.5 The second most common reason for employees leaving in 2020/21 was compulsory redundancy (21%, 6 employees). These are leavers who were made redundant for the impending closure of Hertford Theatre.

4.6 Four employees (14%) stated personal 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.

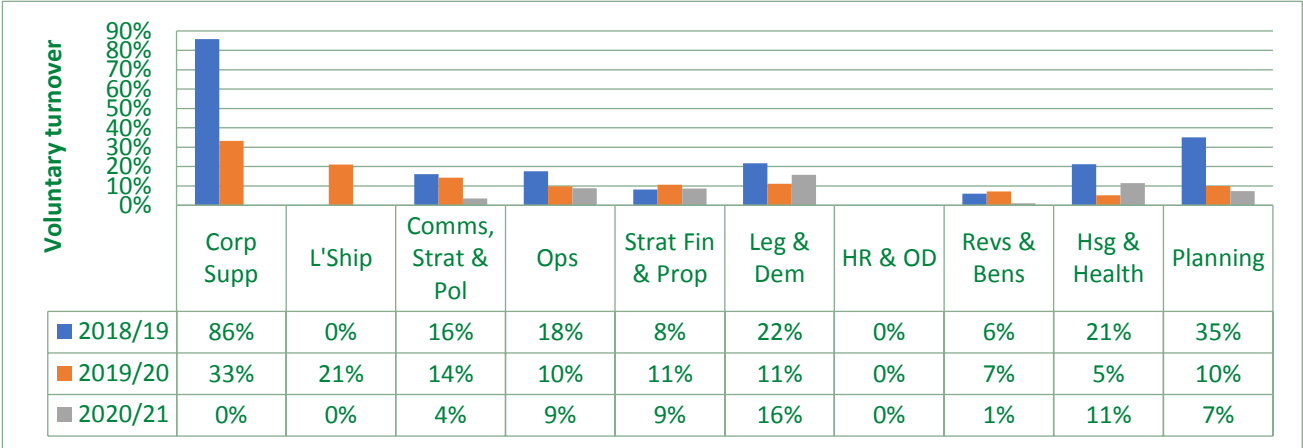
5.2 The stability rate is calculated by dividing the number of leavers with 1 or more years' service by the total number of voluntary leavers (multiplied by 100 to express as a percentage).

5.3 In 2020/21 the council's stability rate was 90% which meets its target of 90%. This means that 7% of voluntary leavers (2 employees) had less than 1 years' service. 1 employee left for personal reasons (e.g. family responsibilities, to travel) and the other to achieve promotion.

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 2020/21: Corp Supp – 2.5; L'Ship – 9.5; Comms, Strat & Pol – 28.5; Ops – 34; Strat Fin & Prop – 35; Leg & Dem – 19, HR & OD – 8; Revs & Bens – 97.5; Hsg & Health – 61; Planning – 41.

- 6.2 Turnover in 2020/21 has increased in 2 out of the 10 services since the previous year (Legal and Democratic, and Housing and Health) however the increases were small and were no cause for concern.
- 6.3 The Legal and Democratic Team had the highest turnover rate of 16% (3 employee).

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 Just over half of voluntary leavers (57%, 16 out of 28 leavers) completed an exit questionnaire (this is a slight reduction on last year where 65% completed a questionnaire).
- 7.3 The key highlights from the exit questionnaires are as follows:
- 94% (15 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);
 - 94% (15 employees) said they 'mostly' or 'completely' enjoyed working at the council;
 - 94% (15 employees) would recommend the council to others

as a good place to work (6%, 1 employee did not respond to this question

- 75% (12 employees) said that pay was 'good' or 'very good'. This remains the same as 2019/20 (75%). The improvement in pay scales in April 2019 has clearly has a continuing positive effect on how leavers view the council's pay;
- 69% (11 employees) said they agreed 'completely' or 'partially' that their pay and benefits were reasonable for the work and responsibility undertaken.
- 75% (12 employees) said that prospects for promotion/advancement were 'good'. This is a 35% increase from 2019/20. (19%, 3 employees said they were 'poor' and 6%, 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;
- 100% (16 employees) said their relationship with their manager was either 'good' or 'excellent'.
- 100% (16 employees) said their relationships with colleagues were either 'good' or 'excellent';
- 94% (15 employees) agreed 'completely' or 'partially' that they had received adequate training/coaching;
- 94% (15 employees) said that flexible working options at the council were either 'good' or 'very good' (1 employee, 6% 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 2020/21 was 8.8% which is higher than in 2019/20 (7.7%) but significantly lower than the local government average (the mean for all English authorities was 15% in 2018/19).
- 8.3 As at 31 March 2020, there were 29 vacant posts across the council. Twenty (20) posts were on hold (e.g. pending job or structure reviews), and 9 were being actively recruited to. Clearly the number of posts on hold continues to impact on the vacancy rate.
- 8.4 Of the 20 posts on hold, 10 posts were in Planning, 3 in Communications, Strategy and Policy, 2 in Strategic Finance and Property, 2 in Housing and Health, 1 in Operations, 1 in Revenues and Benefits, and 1 in Executive Support. The posts are being held due to reviews of the service structure and potential savings and are being covered by agency staff where required.
- 8.5 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 in 2020/21 (£26,963 compared to £34,900 in 2019/20). Recruitment costs include external advertising costs, agency and search fees.

- 9.2 The cost per hire in 2021/21 is £963. This is 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 and advertising with the leading generalist job board 'Indeed' for an annual provision of job adverts (60 jobs across the year)

10.0 Actions taken in 2020/21 to improve recruitment and retention

10.1 Recruitment processes were reviewed

- 10.1.1 The 'Working for Us' page on the council's website was updated and improved to better promote the benefits of working for the council.
- 10.1.2 The council monitored the success of the new two part job application process. Candidates preferred the option to submit a CV and said this process 'was more straightforward and prevented duplication'.
- 10.1.3 From June 2020 the council advertised all jobs on the Indeed website (the largest online general job board) on a 1 year's trial basis. The package included a branded page giving the ability to promote the benefits of working for the council, can include case studies and videos, and employees/applicants can leave reviews regarding their experience of the council as a recruiter/employer.
- 10.1.4 We advertised 19 roles through indeed from July 2020 – March 2021 and received 144 applications. From this 63 (44 %) said they saw the advert from Indeed and 20 applicants (14 %) did not specify where they saw it. 7 (14%) of applicants shortlisted were from indeed. The figures are slightly skewed this year due to the pandemic, so therefore we are having a meeting to review the package and consider if the trial should be extended for a

further period or replaced with advertising packages on a range of websites through a new Applicant Tracking System (online Recruitment) provider.

10.1.5 The council's exit questionnaire form has been developed for 21/22 to increase the range of feedback from leavers.

10.3 Promotion of the council's health and wellbeing programme

10.4.1 The council has continued to promote its employee health and wellbeing programme, Live Well, Work Well. The programme has included NHS Health checks, Flu jab voucher campaign, Time to Talk Day promotion, and lunchtime health walks. A full list of events can be found in the Annual Health and Wellbeing Report 2020/21. 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 2020/21 for excellent work or exceptional modelling of the council's values and behaviours. This is due to be reviewed in 2021/22 by the East Herts Together Group.

11.0 Actions planned for 2021/22 to improve recruitment and retention

11.1 East Herts Together Group will review the staff recognition scheme with LT and HR seeking to add annual awards and spread recognition further through categories.

11.2 Further develop wellbeing support and the wellbeing offer to help support resilience and improve retention (see Employee Health and Wellbeing Report 20-21).

- 11.3 Implement an Applicant Tracking System (ATS) to manage online recruitment and on-boarding. This will allow name blind recruitment, fully online applications, online shortlisting, self-service interview booking and then support pre-employment checking/on boarding. This will improve the candidate and new starter experience as well as making the process easier for managers.
- 11.4 Review online advertising with Indeed, consider extending the provision or replacing with a multi-site advertising package linked to the ATS. Consideration will also be given to using Google Jobs which is potentially a free advertising source.
- 11.5 Following on from a recruitment webinar, a trial on hard to recruit posts will be undertaken in terms of shortlisting and interviewing throughout the recruitment process rather than waiting until the job closes, to ensure EHC don't lose out on skilled candidates who are in demand.
- 11.6 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 and to help develop staff further. Person Specifications were recently developed to include a commitment to safeguarding and welcoming diversity, core competences will be added once developed.
- 11.7 Employee case studies are being developed for the recruitment section online to show case progression and welcome diversity.
- 11.8 The recruitment policy and procedure has been developed to strengthen safer recruitment and support more flexible recruitment, this is due to approved by HR Committee at this meeting.
- 11.9 The 2020 staff survey had very positive responses, a number of actions were agreed by LT and East Herts Together to build on

improvements, which were shared at the last all staff briefings. These will be actioned and should also support retention and the employer brand re recruitment. Key actions include improving the PDR process for 2021/22 with competences and improved form, this will help with retention in terms of recognition and development.

12.0 Options

N/A

13.0 Risks

Recruitment and retention relate to corporate risk of Staff capacity and skills to deliver services meaning it is an important area to ensure is managed and developed. The reductions in turnover demonstrate the risk is being well managed currently.

14.0 Implications/Consultations

N/A

Community Safety

No

Data Protection

No

Equalities

As covered in the report, practices must be in line with equality legislation and welcome and support diversity.

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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