

East Herts Council Report

Human Resources Committee

Date of Meeting: 25 May 2022

Report by: Head of Human Resources and Organisational Development

Report title: Annual Turnover Report 2021/2022

Ward(s) affected: N/A

Summary

RECOMMENDATIONS FOR Human Resources Committee:

- (a) To consider the Annual Turnover Report 2021/2022 including the actions (in section 11.0) planned for 2022/23 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 2021/2022.

2.0 Background

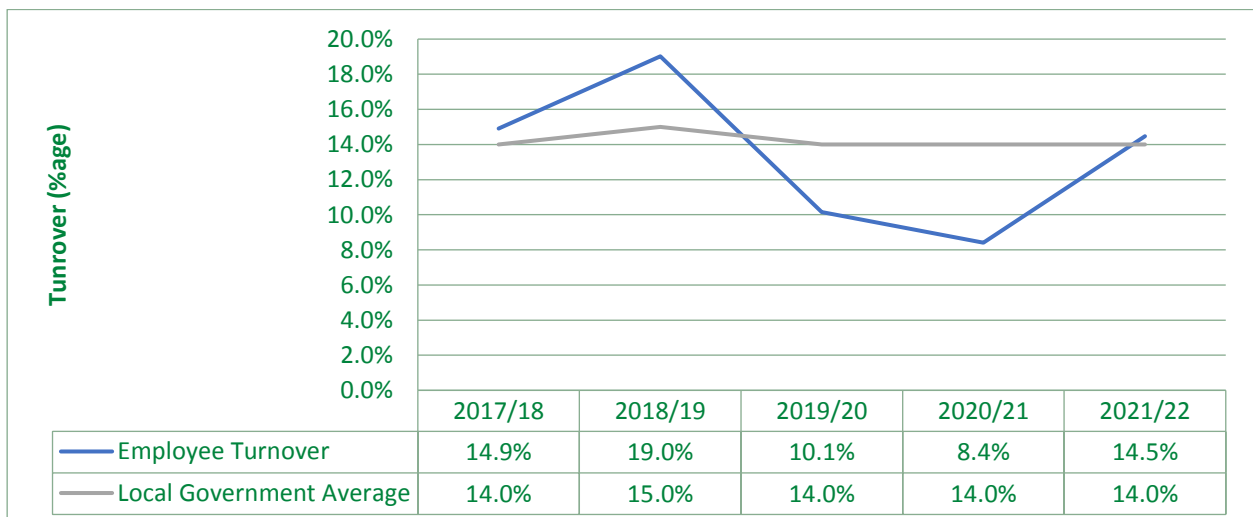
- 2.1 The council recognises that having a certain level of employee turnover is healthy. It can help maintain high levels of motivation and ensure fresh blood is injected to generate new ideas and working practices which will, in turn, help the council to grow and develop.

- 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 2021 to March 2022. 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 47 leavers in 2021/22: Forty of those were voluntary leavers and seven were involuntary leavers, two whose temporary contract had come to an end, one was dismissed and three 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 2021/22 (14.5%) is slightly higher than the local government average (14% in 2018/19*).

Figure 1 – Annual Turnover trends

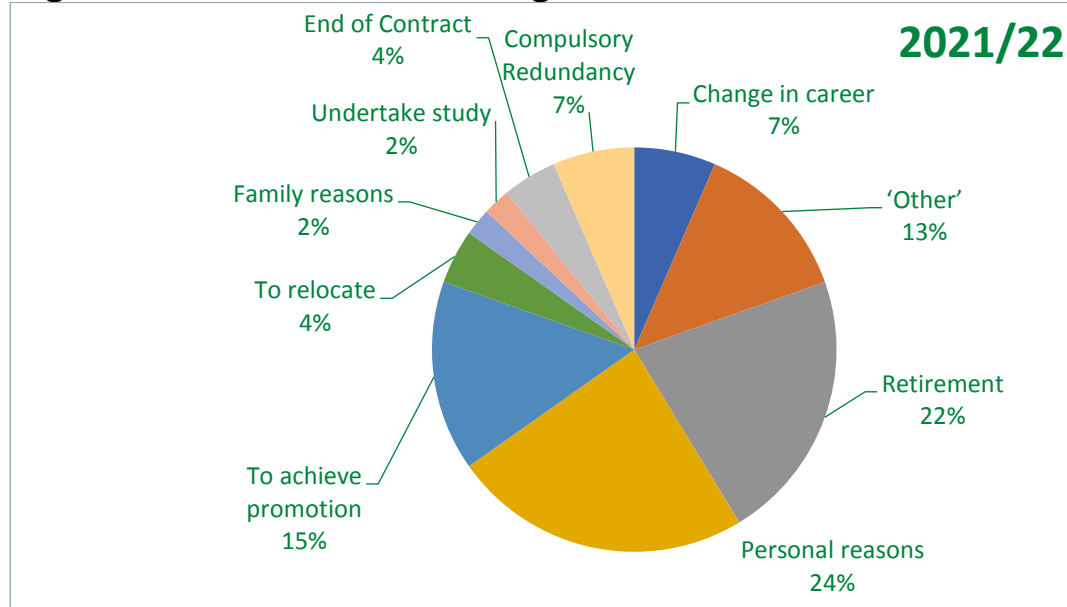


* The Local Government Average is the mean for all local authorities in England and is taken from the 'LG Inform Benchmarking -Workforce Metrics 2018/19' (the latest annual turnover data available at the time of writing the report)

4.0 Reasons for Leaving

4.1 The reasons employees gave for leaving the council in 2021/22 can be found in Figure 2 below.

Figure 2 – Reasons for leaving



4.2 The most common reason for leaving in 2021/22 was personal reasons (23%, 11 employees). This seems to have been following the impact of the pandemic which had led to changes in the employment market with many changing careers or retiring.

4.3 The second most common reason for employees leaving in 2021/22 was retirement (21%, 10 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 potential option of reducing their hours whilst drawing their pension.

- 4.5 6 employees (13%) stated 'other' as the reason for leaving. The reasons include permanent homeworking, ill health retirement, better remuneration and sadly, death in service.

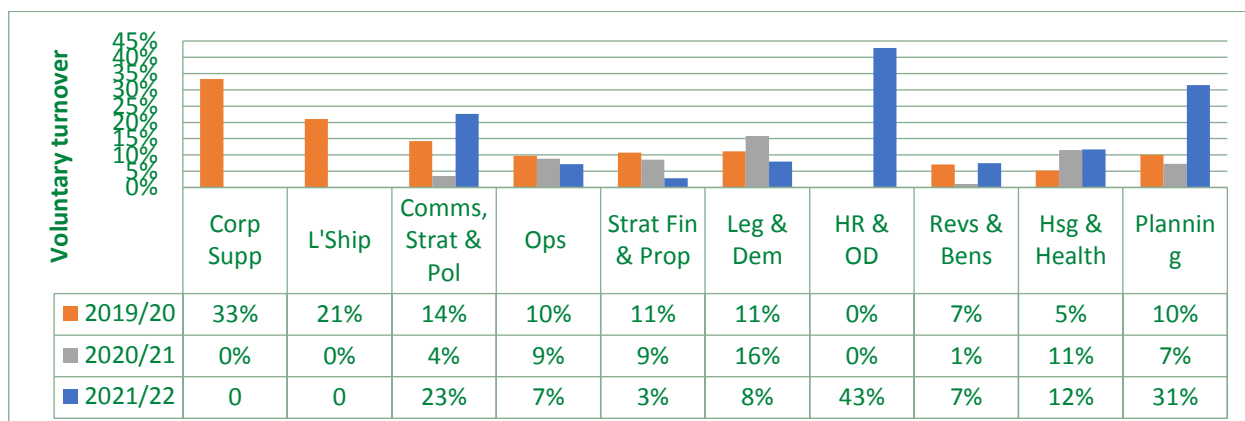
5.0 Stability Rate

- 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 2021/22 the council's stability rate was 95% which is higher than the target of 90%. This means that 5% 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 left for a change in career.

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.

Figure 3 – Turnover in each service



Average headcount in 2021/22: Corp Supp – 2; L'Ship – 10; Comms, Strat & Pol – 31; Ops – 28; Strat Fin & Prop – 35; Leg & Dem – 25, HR & OD – 7; Revs & Bens – 94.5; Hsg & Health – 60; Planning – 35.

6.2 Turnover in 2021/22 has increased in 4 out of the 10 services since the previous year (Human resources, Communication, Strategy and Policy, Revenue and Benefits and Planning)

6.3 Human Resources & Organisational Development had the highest turnover rate of 43% (based 3 employees, one of which included retirement, the other was to grow on business and the remaining wished to change career).

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 (55%, 22 out of 40 leavers) completed an exit questionnaire (this is a slight reduction on last year where 57% completed a questionnaire).

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

- 64% (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);
- 82% (18 employees) said they 'mostly' or 'completely' enjoyed working at the council;
- 82% (18 employees) would recommend the council to others as a good place to work
- 68% (15 employees) said that pay was 'good' or 'very good'.
- 68% (15 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'.
- 100% (22 employees) said their relationship with their colleagues were either 'good' or 'excellent'.
- 82% (18 employees) said their relationships with their manager was either 'good' or 'excellent';
- 64% (14 employees) agreed 'completely' or 'partially' that they had received adequate training/coaching;
- 78% (17 employees) said that flexible working options at the council were either 'good' or 'very good' (2 employee, 9% 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 2021/22 was 8% which is lower than in 2020/21 (8.8%) and significantly lower than the local government average (the mean for all English authorities was 15% in 2018/19).
- 8.3 As at 31 March 2021, there were 27 vacant posts across the council. Eighteen (18) posts were on hold (e.g. pending job or structure reviews), advertising has commenced for 7 vacancies. Three in Revenue and Benefits and four in Planning.
- 8.4 Of the 18 posts on hold, 8 posts were in Planning, 3 in Strategic Finance and Property, 1 in Communications, Strategy and Policy, 4 in Housing and Health, 1 in HR and 1 in Legal and Democratic services. 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 2021/22 (£26,406 compared to £26,963 in 2020/21). Recruitment costs include external advertising costs, agency and search fees.

- 9.2 The cost per hire in 2021/22 is £539. This is significantly 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 to include a range of employee case studies demonstrating diversity in the workforce.
- 10.1.2 In August 2021 the council purchased a new Applicant Tracking System (ATS) from 'Webrecruit'. This will allow name blind recruitment, fully online applications, online shortlisting, self-service interview booking and then support pre-employment checking/onboarding. This will improve the candidate and new starter experience as well as making the process easier for managers. We are in the final stages of implementation and should be live by the end of May/early June. Unfortunately there have been some delays caused by IT to fully install.
- 10.1.3 As part of the new ATS the council has purchased advertising credits for a range of online job boards such as Monster and Total Jobs. This will replace the advertising package we currently have with Indeed as we have not found this to be very successful. Indeed are however one of the online job boards with the ATS package so we will not stop using them altogether.

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 2021/22. 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 2021/22 for excellent work or exceptional modelling of the council's values and behaviours. The scheme is being reviewed by East Herts together to increase both engagement and recognition throughout the year. The new scheme will include the new competencies and is to be launched in June 2022.

11.0 Actions planned for 2022/23 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. This will be more celebrated and also shared with candidates.

11.2 Fully implement the ATS (from Webrecruit) to manage online recruitment and on-boarding and achieve name blind recruitment.

11.3 As part of the East Herts Together programme, core competencies have now been implemented to allow more transferable skills to be recognised in the selection process and to help develop staff further.

11.4 HR will continue to support career graded posts being developed where recruitment is more difficult e.g. in Planning or in Revs and Bens as with have done elsewhere and within other grades.

11.5 HR will work with Webrecruit on advert copy which is included in the ATS service to ensure our jobs are well known and attractive as well as improving the work with us pages e.g. by sharing awards and maintaining staff case studies.

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

Contact Officer

Simon O'Hear, Head of HR and OD

Simon.O'Hear@eastherts.gov.uk

Report Author

Emily Cordwell, HR Officer

Contact Tel No 01992 53 1679

Emily.Cordwell@eastherts.gov.uk