

East Herts Council Report Template

Human Resources Committee

Date of Meeting: 21 June 2023

Report by: Head of Human Resources and Organisational Development

Report title: Annual Turnover Report 2022/2023

Ward(s) affected: N/A

Summary

RECOMMENDATIONS FOR Human Resources Committee:

- (a) **To consider the Annual Turnover Report 2022/2023 including the actions (in section 11.0) planned for 2023/24 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 2022/2023.

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 2022 to March 2023. It explores the reasons employees are leaving and whether there are any improvements the council could make.

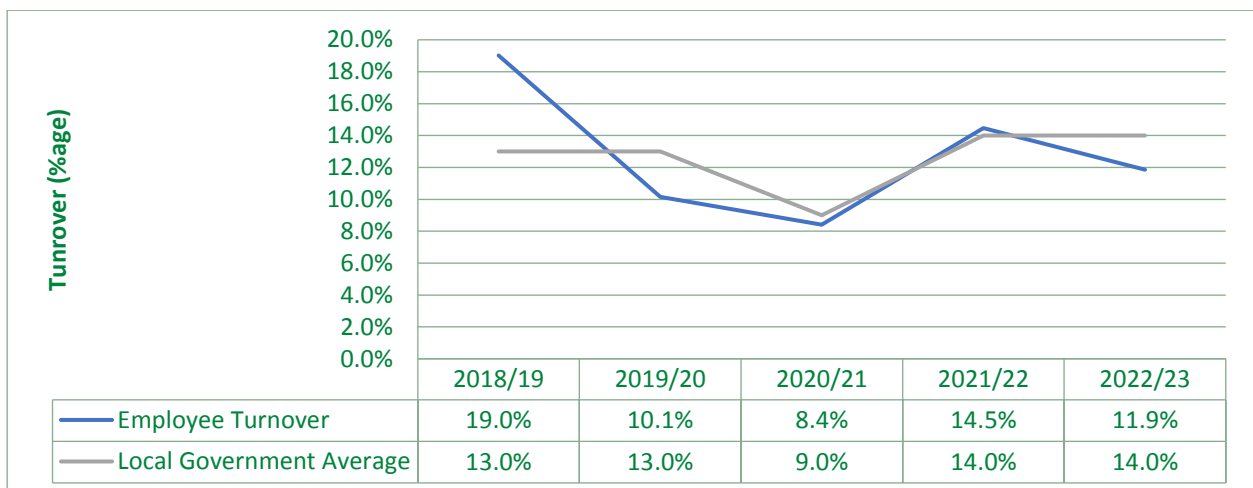
2.4 The report includes benchmarking data against previous years and from other local authorities across England.

3.0 Summary

3.1 There were a total of 37 leavers in 2022/23: Thirty-Two of those were voluntary leavers and five were involuntary leavers; four whose fixed term contract had come to an end and one was 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 2022/23 was 11.9% which is lower than the last local government East of England average (14% in 2021/22*).

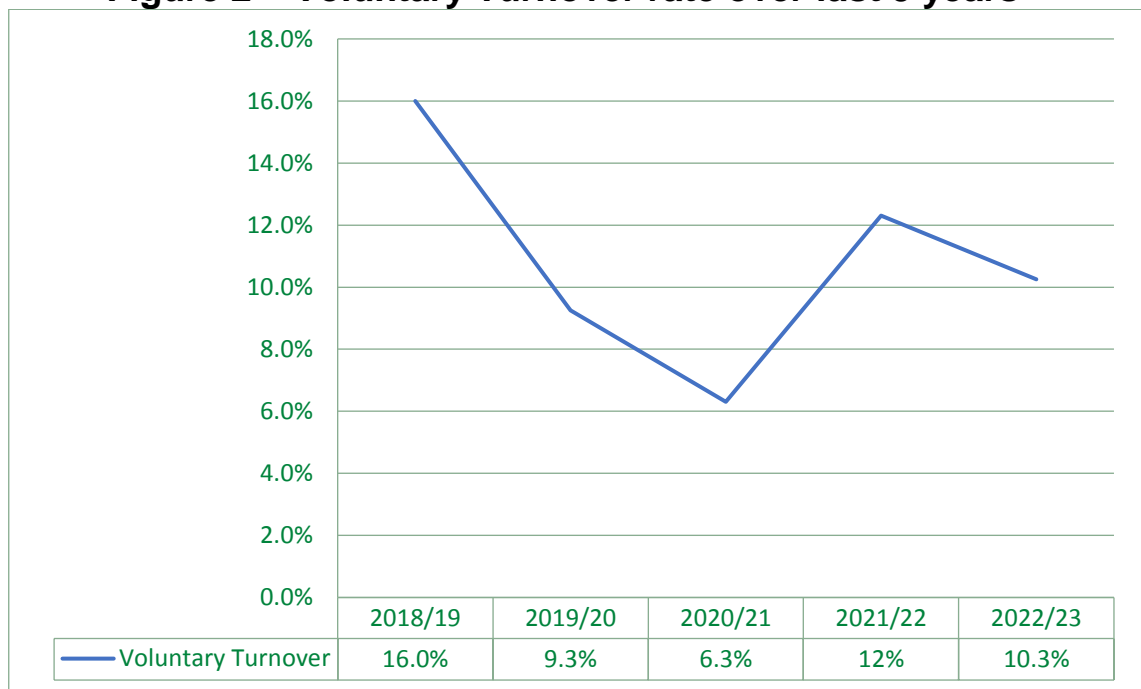
Figure 1 – Annual Turnover trends



* The Local Government Average is the mean for all English authorities and is taken from the 'LG Inform Benchmarking - Workforce Metrics. The most recent available is 2021/22' which was 14% this has also been used for 22/23, the 2019/20 year is also carried forward from 19/20 as no figure was gathered due to the pandemic.

3.3 Figure 2 below shows the council’s voluntary turnover rate (for all voluntary leavers) over the last 5 years. It is important to note this separately from Global turnover (which includes both voluntary and involuntary leavers). The council’s voluntary turnover rate has reduced to 10.3% in 2022/23 after an increase last year (2021/22 = 12%) which resulted from a very low rate of turnover during the early pandemic which was followed nationally by people making lifestyle changes e.g. retirement, career changes.

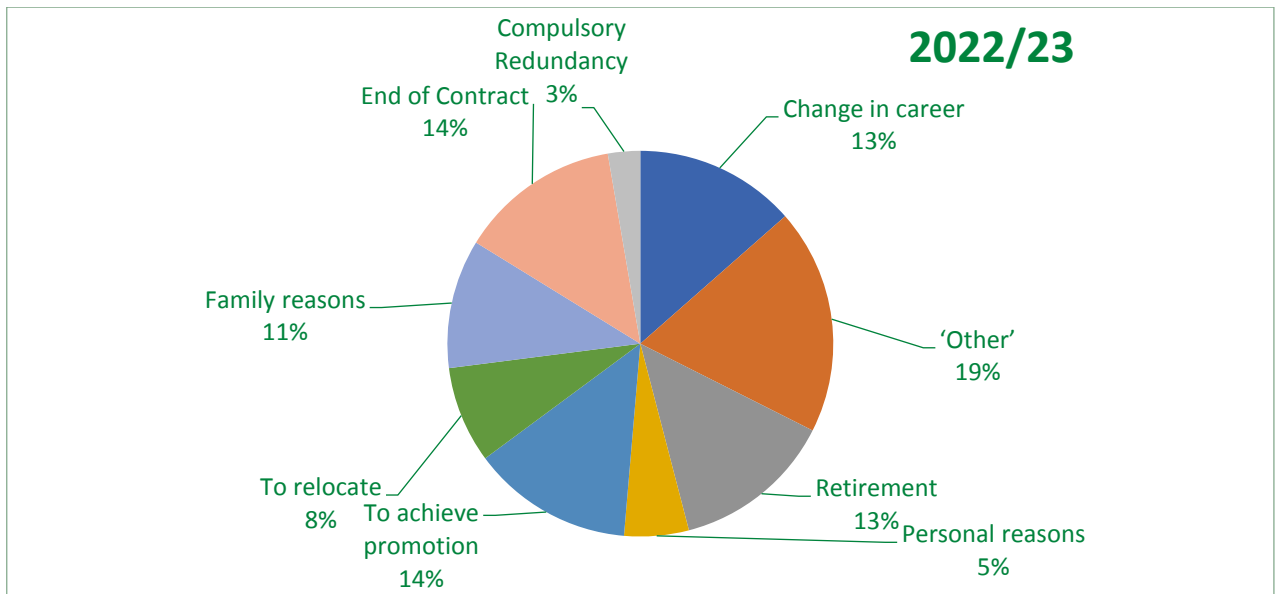
Figure 2 – Voluntary Turnover rate over last 5 years



4.0 Reasons for Leaving

4.1 The reasons employees gave for leaving the council in 2022/23 can be found in Figure 3 overleaf.

Figure 3 – Reasons for leaving



- 4.2 The most common reason for leaving in 2022/23 was Other (19%, 7 employees) which includes 2 employees who did not give a reason, 1 who was unhappy with the role, 1 who had work related issues, 1 due to lack of career progression, 1 who had issues with their line manager and 1 who left for the private sector.
- 4.3 The second most common reason for employees leaving in 2022/23 was end of contract and to achieve promotion (both are 14%, with 5 employees in each). The third most common is retirement (13%) which 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.

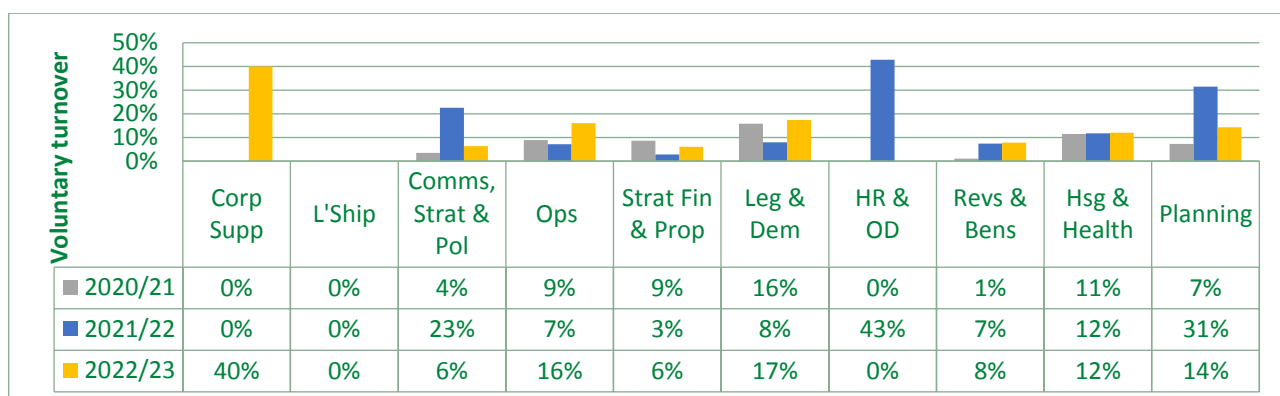
5.0 Stability Rate

- 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 2022/23 the council's stability rate was 91% which is just above the target of 90%. This means that 9% of voluntary leavers (3 employees) had less than 1 years' service. 1 employee left for the private sector, 1 left for personal reasons 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 for 2022/23, including comparisons with the previous 2 years, can be found in Figure 4 below.

Figure 4 – Turnover in each service



Average headcount in 2022/23: Corp Supp – 2.5; L'Ship – 10; Comms, Strat & Pol – 32; Ops – 25; Strat Fin & Prop – 33; Leg & Dem – 23, HR & OD – 7.5; Revs & Bens – 90; Hsg & Health – 58.5; Planning – 35.

- 6.2 Turnover in 2022/23 has increased in 5 out of the 10 services since the previous year (Corporate Support, Operations, Strategic Finance and Property, Legal and Democratic Services and Revenues and Benefits)

6.3 Corporate Support had the highest turnover rate of 40% (based on 1 employee, who left to change career). Legal and Democratic Services had the second highest turnover rate of 17% (based on 4 employees, two left for family responsibilities, one to achieve promotion and one 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 More than two thirds of voluntary leavers (69%, 22 out of 32 leavers) completed an exit questionnaire (this is a significant increase on last year where 55% completed a questionnaire). Two involuntary leavers also completed an exit questionnaire meaning 24 leavers in total.

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

- 100% (24 employees) would recommend others to join the council.
- 96% (23 employees) said that they would rate the council 7 or higher out of 10 as an employer (1 being poor and 10 being excellent) (only 1 employee rated the council less than 7 out of 10 and gave a 6) 25% (6 employees) rated the council at 10 (excellent);
- 96% (23 employees) said they 'mostly' or 'completely'

enjoyed their time at the council;

- 96% (23 employees) said they 'completely' or 'mostly' felt their duties were clearly defined;
- 100% (24 employees) said their relationship with their colleagues were either 'excellent' or 'good'.
- 96% (23 employees) said their relationships with their manager was either 'excellent' or 'good'.
- 92% (22 employees) said that pay was 'good' or 'very good'.
- 92% (22 employees) said they agreed 'completely' or 'partially' that their pay and benefits were reasonable for the work and responsibility undertaken.
- 88% (21 employees) said that flexible working options at the council were either 'very good' or 'good' (1 employee, 4% did not answer the question).
- 96% (23 employees) agreed 'completely' (58%), 'mostly' (25%) or 'partially' (13%) that they had received an effective induction;
- 96% (23 employees) agreed 'completely' (38%), 'mostly' (54%) or 'partially' (4%) that they had received adequate training/coaching;
- 50% (12 employees) said that prospects for promotion/advancement were either 'excellent' or 'good'. 42% (10 employees) felt they were poor in the main due to size of the council and some specialist teams being small/limited in terms of levels at the council and in the sector. (2 employees, 8% did not answer the question).

7.4 These results are an improvement compared to last year and it is especially positive to see 100% of respondents would recommend East Herts to others. This is also reflected in 96% of respondents rating the council as an employer at 7 or above, with 25% rating it 10 ('excellent'). The council has begun a transformation programme to make savings and restructuring is taking place including deleting some vacant posts as will be seen in the next section. It is understandable that prospects for promotion/ advancement has decreased (last year 75% of respondents said it was good), this is always a challenge for a smaller employer like East Herts with some specialist teams. Comments on this area reflect the limited pathways available because staff tend to stay and due to specialist areas often having a low ceiling. As can be seen in the actions for next year the management development for aspiring managers/leaders and line managers and service managers may help increase this rating but it maybe advancement/promotion is achieved in the sector rather than at East Herts due to size of the council (which is reducing through the transformation programme).

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 2022/23 was 11.9% which is higher than in 2021/22 (8.5%) but lower than the local government average (the mean for all English authorities was 17% in 2021/22). The rate has increased because as at 31 March 23 a number of new posts had been agreed in Planning, including 4 new posts for Gilston.

8.3 As at 31 March 2023, there were 37 vacant posts across the council. Four (4) posts were on hold (e.g. pending job or structure review), advertising/recruitment has commenced for 31 of the 33 vacancies, the remaining 2 are being reviewed before advertising. From the 31 posts advertised 11 posts have now been filled i.e. an offer has been made and accepted, the candidates are being pre-employment checked or have agreed a start date following checks or have started.

The 31 posts include 22 vacancies in Planning which include new posts agreed in the restructure, from this 22, seven (7) have now been filled which includes 4 internal job moves (a further new planning vacancy was filled prior to the 31/3).

In terms of the other 9 vacancies four (4) have now been filled and the other 5 are being readvertised or searched for and they are in the following areas: 2 Solicitors in Legal and Democratic Services, one Technical Officer in Environmental Health, one HLF Officer in Operations (Parks) and one Senior Control Officer in Revenues and Benefits.

8.4 In addition to the 37 vacant posts, 10 further vacant posts that had been on hold have now been deleted as a saving for 23/24 so have not been included as vacancies. These consisted of four (4) posts in Finance and Property, four (4) posts in Housing and Health (which includes savings for the corporate support hub) and two (2) posts in Revenues and Benefits.

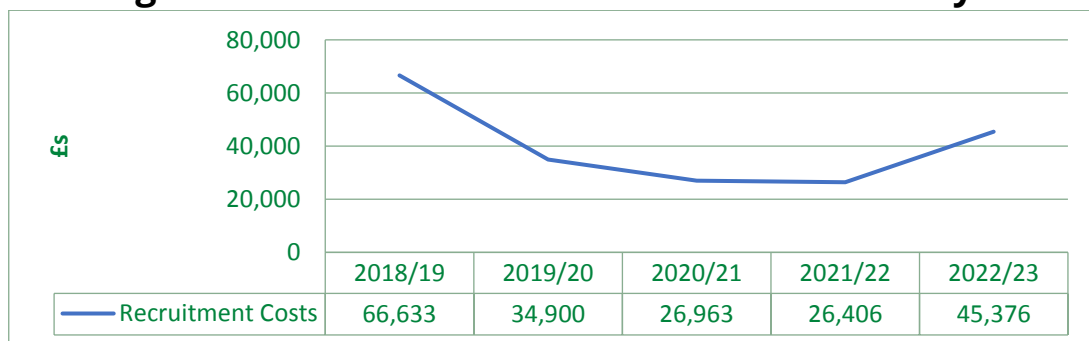
8.5 Of the 4 posts on hold, 1 is in HR, 1 in Strategic Finance and Property, 1 in Communications, Strategy and Policy, and 1 in Corporate Support. The posts are being held due to reviews of the service structure/potential savings and are being covered by agency staff or fixed term temporary staff where required.

8.6 The council has focussed on upskilling employees through introducing career graded posts (most posts in Planning are career graded) and funding professional study as well (apprenticeship recruitment has been paused whilst transformation progresses as some redundancies are planned). 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 risen substantially in 2022/23 (£45,367 compared to £26,406 in 2021/22). Recruitment costs include external advertising costs, agency and search fees. Figure 5 below shows the councils recruitment costs over the last 5 years.

Figure 5 Recruitment annual costs over last 5 years



9.2 In 2022/23 there were 58 advertisements and 4 readvertisements, 62 campaigns in total. The increase in the annual cost is partly due increased recruitment compared to 2021/22 (49 campaigns) and also due to a significant spend on recruitment campaigns for Planning in 22/23 (£28,044) which continues to be hard to recruit area both locally and nationally. Market supplements have been introduced for some hard to fill planning roles (which has become common practice in sector) to increase attraction and retention as

opposed to welcome payments. Due to the difficulty to recruit, the council has had to invest in more significant advertising in trade press, video campaigns and use agency searches where advertising has been unsuccessful. This has increased recruitment costs in Planning as stated but also in Housing (£7,294) and Legal (£5,360).

9.3 The cost per hire in 2022/23 is £782 based on 58 vacancies during the period. This remains lower than the UK average cost per hire of £1500 (Chartered Institute of Personnel and Development (CIPD) Resourcing and Talent Planning Report 2022). Figure 6 below shows East Herts average cost per hire compared to the CIPD UK average.

Figure 6 Average cost per hire for East Herts over last 5 years compared CIPD average



9.3 Other key findings from the 2022 CIPD report are that 77% of organisations experienced difficulties attracting candidates, up from 49% in 2021. Recruiting for senior and skilled roles was most challenging (58%) although 26% had difficulties attracting low-skilled candidates. 60% report that talent is more difficult to retain compared with a year ago and over a third (37%) undertook initiatives to improve retention which is up from 29% in 2021.

9.4 The council has aimed to keep recruitment costs as low as possible, previously an arrangement was made with 'Indeed' for 60 adverts which had a cost per advert of £67, this did not prove as successful as previous multi-site packages.

A package was agreed with Web Recruit the council's new Applicant Tracking System (ATS) of £245 per job (or £275 with copywriting support) for multi-site online advertising. The multi-site package advertises roles across range of leading generalist job boards (Totaljobs, Jobsite, Monster, CV Library, Fish4Jobs, Indeed and Find a Job(.Gov)).

This is supplemented by use of LinkedIn with the council page promoting jobs and some staff also using their own LinkedIn to promote vacancies. In addition, where deemed appropriate additional advertising has been used both online and in the trade/sector press which tend to be more expensive. As stated it has become more difficult to attract candidates as supply is not meeting demand. For example the Planning Campaign included advertisement on The Planner and Planning Jobs and East Herts social media channels. Planning opportunities were also on the front cover and inside page of Public Sector today for their planning article which circulates nationally to 25,000 professionals directly within the Local Government and Public Sector. The Planning vacancies were also included within the South East Times which circulates to a separate 33,500.

10.0 Actions taken in 2022/23 to improve recruitment and retention

10.1 Applicant Tracking System (ATS) from Web Recruit implemented

10.1.1 As planned the new ATS from Web Recruit was implemented in 2022/23. The implementation which was delayed due to some IT issues was achieved in August 2022. Managers were provided with training and the system has provided a number of benefits to aid recruitment both for East Herts and candidates.

10.1.2 In terms of benefits for East Herts these are as follows:

- Candidates now submit applications directly into the system rather than by email to HR meaning that managers can access applications as they are submitted and there is no collation by HR required. Web recruit will also help candidates to use the system.
- Shortlisting is done online and once completed interview/selection dates can be added with slots that shortlisted candidates can book themselves into.
- Letters to notify candidates are sent through the system by email meaning that all candidates are acknowledged and notified at each stage.
- Equality data is separated for HR use only and reports can be generated from the system rather than being manually collated and processed.
- Web recruit provide a competitive multi-jobsite package as outlined above and provide copy writing support, similar packages have cost the council much more in the past i.e. £650 per package. The system is provided at no cost and instead is provided based on minimum advertising annual spend.
- The copy writing support for adverts helps ensure adverts are attractive and optimise the ability to be found online.
- HR and managers can view incomplete applications and contact such applicants where required.
- HR have looked to implement name blind recruitment but this is not working effectively and web recruit

hope to have a working solution soon which EHC will then implement.

- The on-boarding element has also not proved to suitable for EHC so this is still done outside the system by HR and provides a positive experience for candidates rather than getting them to do more of it themselves (which can cause candidates to drop out).

10.1.3 In terms of benefits for Candidates these are as follows:

- The application and process are now fully online. Candidates now submit a CV plus a reduced application form to apply, which makes applying easier but still allows shortlisting against the Person Specification. The application form ensures additional information not a CV is gathered e.g. reasons for leaving and gaps in employment etc. to ensure safer recruitment. The applicant help section on the recruitment section has been updated to provide guidance (see below).
- Applicants can save their application along the way before submitting.
- Applicants are emailed to acknowledge their application and emailed at each stage rather than previous method of only being contacted when shortlisted.
- Shortlisted applicants can book slots themselves.

10.2 East Herts Website - Jobs and Careers (Recruitment) section further developed

10.2.1 A new applicant help section has been developed to support the new online application process. Web recruit also support candidates.

10.2.2 A new Planning section has been created with a video to encourage more applications and promote East Herts and the Planning service.

10.2.3 The 'Working for Us' section has been developed further to make clear benefits of working at East Herts (including our wellbeing programme and flexible working) as well as the East Herts Values.

10.3 Promotion of the council's health and wellbeing programme

10.3.1 The council has continued to promote its employee health and wellbeing programme. The programme has included NHS Health checks, Flu jab voucher campaign, and a eight module resilience programme. A full list of events can be found in the Annual Health and Wellbeing Report 2022/23. Positive feedback has been received from employees on the wellbeing programme being offered.

10.4 Staff Recognition Scheme

10.4.1 The council's Staff Recognition Scheme was redeveloped to move away from Employee of Month to a quarterly set of Awards and an Annual Award ceremony. The scheme was launched in June 2022 and links more closely to our core behaviours and values to reward employees throughout the year for excellent work or exceptional modelling of the council's values and behaviours. The scheme is being Judged by East Herts together to increase both engagement and recognition throughout the year. Details of the scheme will be added to the 'work with us' section so it can support recruitment as well as retention.

10.5 Market Supplements and Welcome Payments

10.5.1 The council has following an unsuccessful use of welcome payments or golden hellos in Planning which is a hard to recruit area introduced Market Supplements to aid both recruitment and retention from February 2023.

11.0 Actions planned for 2022/23 to improve recruitment and retention

11.1 The work with us section will be reviewed and updated. This will include promotion of the new staff recognition scheme, a review of the four case studies to ensure they are up date and refreshed. The benefits section will also be reviewed and updated.

11.2 The ATS will be developed to include name blind recruitment when Web recruit provide a suitable solution.

11.3 On-boarding will continue to be led by HR to ensure this is supportive to candidates, progressed quickly and reduces the risk of candidates dropping out.

11.4 The use of welcome payments/golden hellos and market supplements is allowed by the Pay Policy Statement for hard to recruit posts where recruitment has failed this will continue to be reviewed for use where necessary.

11.5 An audit of the recruitment process was undertaken by the Lean Six Sigma (LSS) Team in April 2023 and made the following recommendations to improve recruitment both in terms of time taken and the candidate/new starter experience:

Short to Medium

- Further investigate closing to interview date (current average is 20.5 working days)
- Establish a standard set of deadlines for the recruitment process

The process does not currently have a set of standard deadlines, once applications are in the process is led by the recruiting manager. The average of 20.5days found by LSS from closing date to interview/selection date risks candidates dropping out especially if they applying elsewhere. The suggestion is to have a deadline for shortlisting (e.g. 1 week) and deadline for interviewing (e.g. 1 week) which reduces this time and keeps more candidates. HR will develop these standards and then consult managers, it is also suggested that interview dates are included in the advert where possible.

- Review induction process – develop online induction modules to complement face to face corporate induction. The HR Officer is reviewing this process and video content will be considered and developed to provide new starters with more as they start rather than waiting for the core induction day which can then be used to support further.

- Review authority to recruit process

This has been done to ensure there is one clear route on the intranet.

- Address account / system set up issues with IT
IT will be contacted to confirm a standard time to set up accounts and the notice required, unfortunately some new starters have not had live accounts on day one which makes both induction and settling in difficult.

Medium to Long

- Record, in the ATS, learning from withdrawn applications and offers turned down

This will be explored with Web recruit and will be added if possible.

- If possible, embed ATS end to end recruitment system

As stated the on boarding element is not currently suitable it does not provide the flexibility or approval process required regarding contracts so the current person led system is being continued at present. There is also a risk that a more candidate led system would cause delay and drop off, East Herts does not have huge recruitment numbers and the personal touch is more suited. The audit did not find concern with the time currently taken to onboard.

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 managed but it remains a challenging area especially as the council has a number of hard to fill posts which have led to the use of market supplements.

14.0 Implications/Consultations

N/A

Community Safety

No

Data Protection

No

Equalities

The annual equalities report will be provided to the next meeting where

equality data will be analysed including for current employees, candidates/new starters and leavers with appropriate actions set out. The name blind recruitment feature of the ATS unfortunately did not work correctly during implementation and instead of just removing names it also removed key data such as qualifications from the CV which is why it has not yet been implemented. Web recruit are currently testing a new solution which if successful will be implemented by EHC.

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

Simon O'Hear, Head of HR and OD

Simon.O'Hear@eastherts.gov.uk