

East Herts Council Report

Human Resources Committee

Date of Meeting: 5 June 2024

Report by: HR Officer

Report title: Annual Turnover Report 2023/2024

Ward(s) affected: N/A

Summary

RECOMMENDATIONS FOR Human Resources Committee:

- (a) To consider the Annual Turnover Report 2023/2024 including the actions (in section 11.0) planned for 2024/25 and provide any comments to the HR and OD Service Manager.**

1.0 Proposal(s)

- 1.1 Members are invited to consider the Annual Turnover Report 2023/2024.

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 2023 to March 2024. It explores the reasons employees are leaving and whether there are any improvements the council could make.

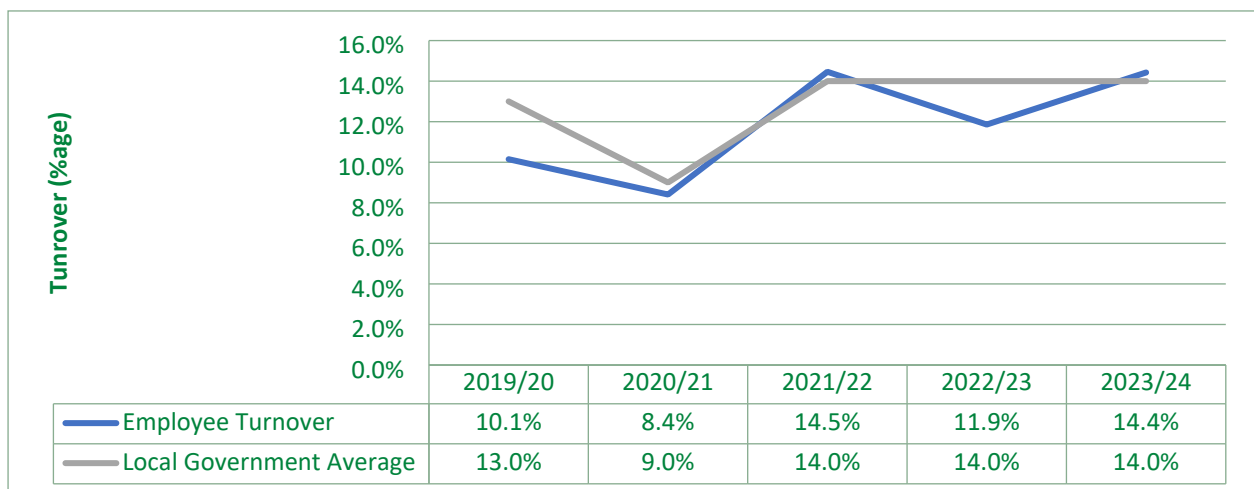
2.4 The report includes benchmarking data against previous years and from other local authorities across England.

3.0 Summary

3.1 There were a total of 44 leavers in 2023/24: Thirty-five of those were voluntary leavers and nine were involuntary leavers; four were made redundant, two fixed term contracts had come to an end and three to ill health retirement.

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 2023/24 was 14.4% which is slightly higher than the last local government East of England average (14% in 2023/24*).

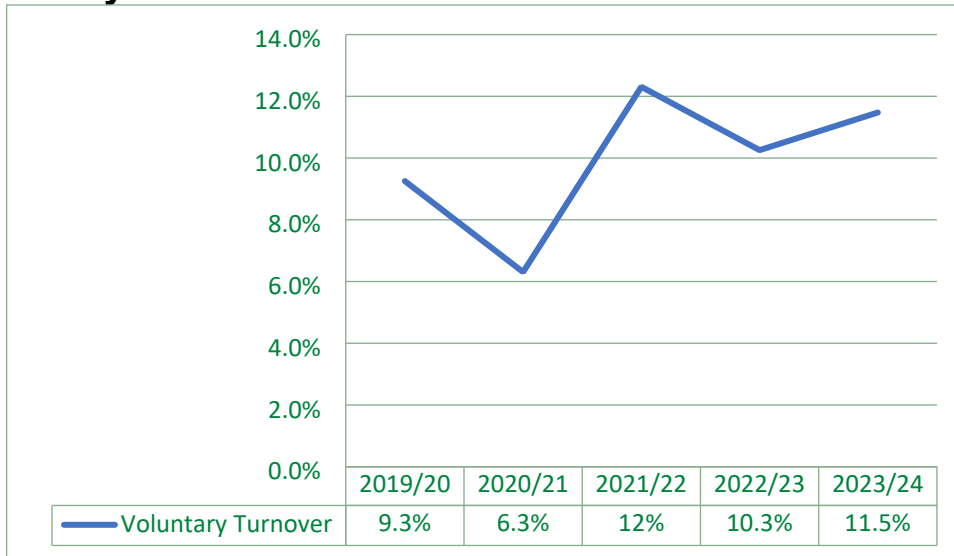
Figure 1 – Annual Turnover trends



* The Local Government Average is the mean for all English authorities and is taken from the 'LG Inform Benchmarking - Workforce Metrics'.

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 increased to 11.5% in 2023/24. This increase was mainly due to people making lifestyle changes e.g. retirement, career changes.

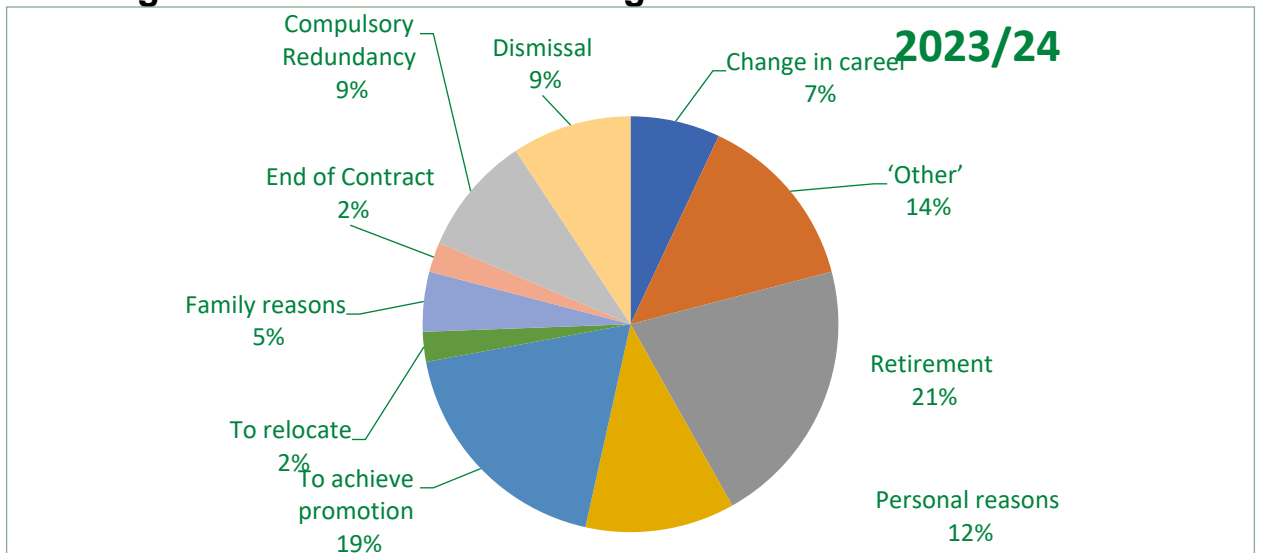
Figure 2 – Voluntary Turnover rate over last 5 years



4.0 Reasons for Leaving

4.1 The reasons employees gave for leaving the council in 2023/24 can be found in Figure 3

Figure 3 – Reasons for leaving



4.2 The most common reason for leaving in 2023/24 was retirement (21%) 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.

- 4.3 The second most common reason for employees leaving in 2023/24 was to achieve promotion (19%) The third most common is for personal reasons (12%)

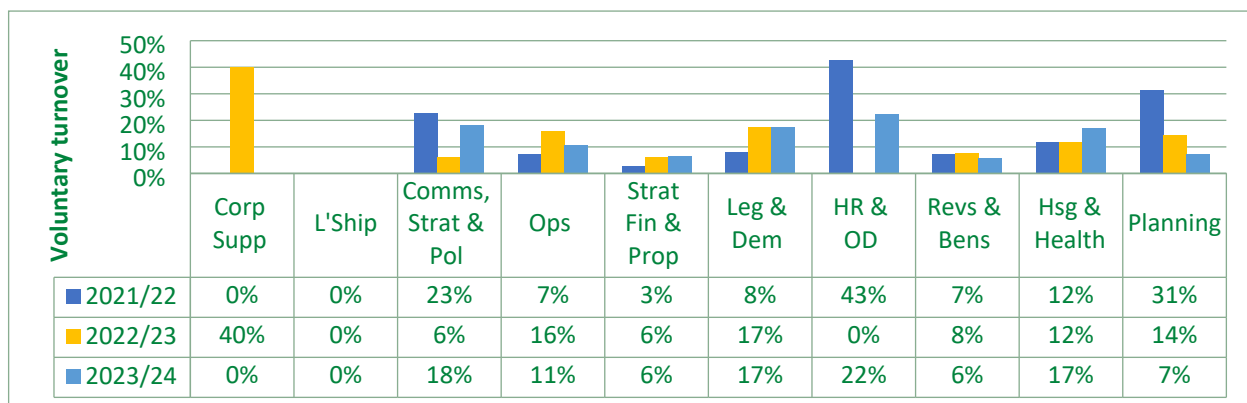
5.0 Stability Rate

- 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 2023/24 the council's stability rate was 83%. This means that 17% of voluntary leavers (6 employees) had less than 1 years' service. 2 employees left for a promotion, 2 left for personal reasons and the other two employees did not comment.

6.0 Voluntary turnover in each service area

- 6.1 The voluntary turnover rate in each service area for 2023/24, 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; L'Ship – 10; Comms, Strat & Pol – 33; Ops – 28; Strat Fin & Prop – 31; Leg & Dem – 23, HR & OD – 9; Revs & Bens – 87; Hsg & Health – 58; Planning – 42.

6.2 Turnover in 2023/24 has increased in 3 out of the 10 services since the previous year (Communications, Strategy and Policy, HR, Housing and Health)

6.3 HR had the highest turnover rate of 22% (based on 2 employees). Communication, Strategy and Policy had the second highest turnover rate of 18% (based on 6 employees)

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 half of voluntary leavers (51%, 18 out of 35 leavers) completed an exit questionnaire.

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

- 89% (16 employees) would recommend others to join the council.
- 77% (14 employees) said that they would rate the

council 7 or higher out of 10 as an employer (1 being poor and 10 being excellent)

- 94% (17 employees) said they 'mostly' or 'completely' enjoyed their time at the council;
- 100% (18 employees) said they 'completely' or 'mostly' felt their duties were clearly defined;
- 94% (17 employees) said their relationship with their colleagues were either 'excellent' or 'good'.
- 94% (17 employees) said their relationships with their manager was either 'excellent' or 'good'.
- 88% (16 employees) said that flexible working options at the council were either 'very good' or 'good' (2 employee, 12% did not answer the question).
- 88% (16 employees) agreed 'completely' , 'mostly' or 'partially' that they had received an effective induction;
- 88% (16 employees) agreed 'completely', 'mostly' or 'partially' that they had received adequate training/coaching;
- 56% (10 employees) said that prospects for promotion/advancement were either 'excellent' or 'good'. 33% (6 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, 14% 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 2023/24 was 14% which is higher than in 2022/23 (11.9%) but lower than the local government average (the mean for all English authorities was 17% in 2021/22).

8.3 As at 31 March 2024, there were 44 vacant posts across the council. Eight of these posts are in Revenue and Benefits and are on hold pending an external service review. There may be some potential savings, posts are being covered by agency staff or fixed term temporary staff where required.

Advertising/recruitment has commenced for 4 of the 44 vacancies, 2 are being reviewed before being advertised.

11 of the vacancies are on hold pending the outcome of the Decision- making accountability (DMA) review. Half of which are within the Housing and Health Team.

10 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.

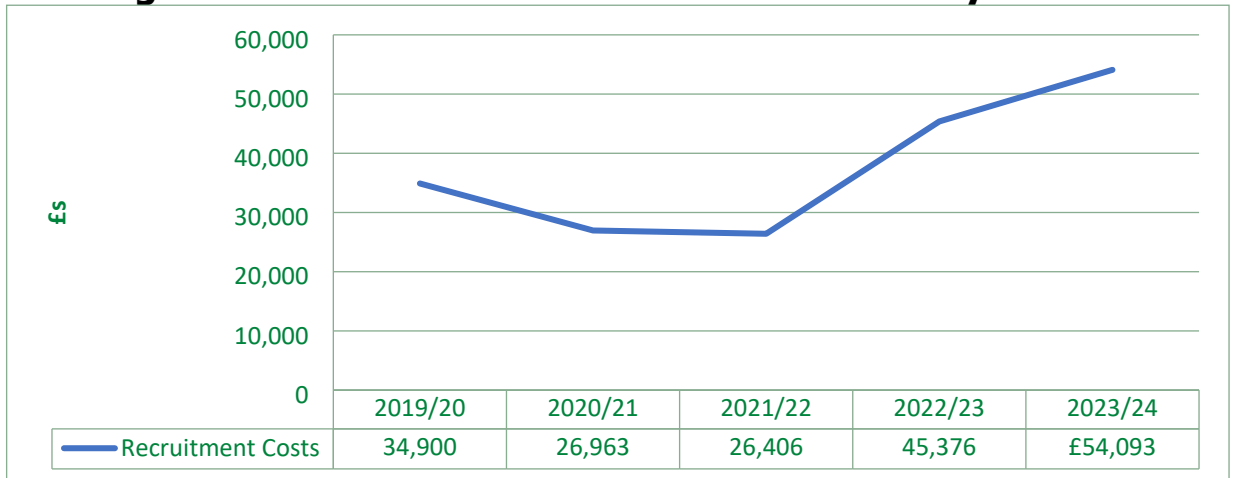
The remaining 9 vacancies are in Planning which are yet to go out to advert. These include new posts agreed in the restructure.

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. 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 in 2023/24 (£54,093 compared to £45,376 in 2022/23). Recruitment costs include external advertising costs, job boards and search fees. Figure 5 below shows the councils recruitment costs over the last 5 years.

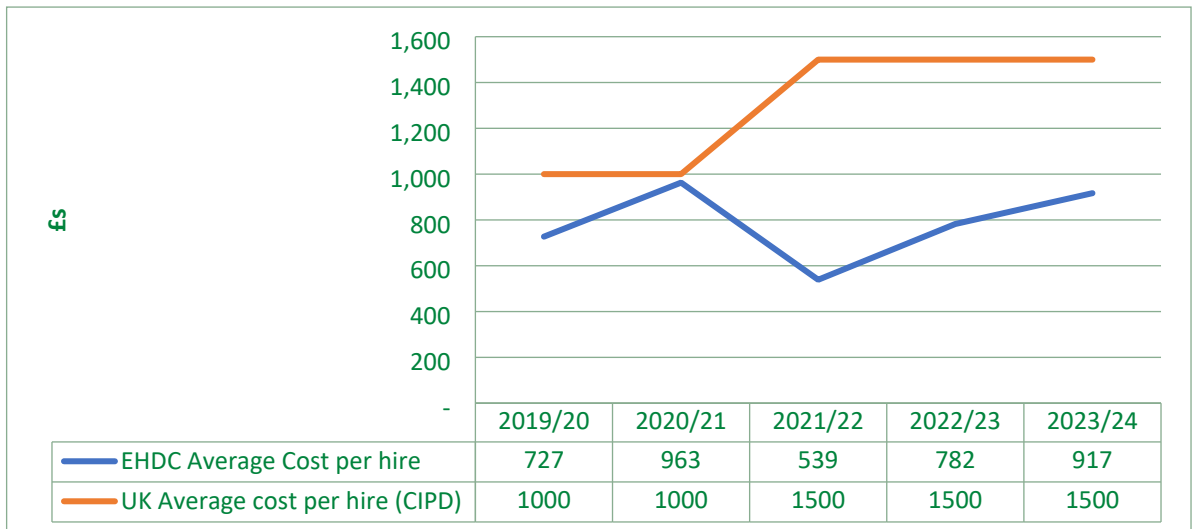
Figure 5 Recruitment annual costs over last 5 years



9.2 In 2023/24 there were 59 advertisements and 10 readvertisements, 69 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 (£29,037) 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.

9.3 The cost per hire in 2023/24 is £917 based on 59 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, we have an arrangement with LinkedIn 'Recruiter' which enable us to target/promote five jobs at one time.

A package was agreed with Web Recruit the council's current 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)).

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.

10.0 Actions taken in 2023/24 to improve recruitment and retention

10.1 East Herts Website – Jobs and Careers (Recruitment) section further developed

- 10.1.1 A new supplicant help section has been developed to support the online application process. Web recruit also support candidates.
- 10.1.2 The Planning section has been enhanced with multiple videos from staff and the leader of the council to encourage more applications and promote East Herts and the Planning service.
- 10.1.3 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.

10.2 Promotion of the council's health and wellbeing programme

- 10.2.1 The council has continued to promote its employee health and wellbeing programme. The programme has included introducing a menopause policy, Flu jab vouchers, blended working review. A full list of events can be found in the Annual Health and Wellbeing Report 2023/24. Positive feedback has been received from employees on the wellbeing programme being offered.

10.3 Employee Award Scheme

- 10.3.1 The council's Employee Award Scheme was redeveloped to move away from Employee of Month to a quarterly set of Awards and an Annual Award ceremony. We have received positive feedback following our annual awards ceremony held in July 2023 and will continue with this scheme in 24/25. The scheme is connected to our core

behaviours and values and rewards employees throughout the year for excellent work or exceptional modelling of the council's values and behaviours. Details of the scheme will be added to the 'work with us' section so it can support recruitment as well as retention.

10.4 Market Forces Supplement

10.4.1 The council has introduced market forces supplements in hard to recruit areas such as Planning and Legal services. The aim is to aid both recruitment and retention. The supplement will continue to be reviewed annually taking in to account salary survey data and whether there is still a need for the supplement.

11.0 Actions planned for 2023/24 to improve recruitment and retention

11.1 A comprehensive DMA review is currently being conducted to enhance the capabilities of our staff and foster a supportive environment that inspires informed decision-making. This initiative aims to enable our team to deliver services to our residents.

11.2 We have implemented a management development programme under the Be Agile transformation scheme. The program aims to provide our staff with the necessary skills and expertise to support individual growth and development. We have launched the First Steps, Blueprint, and Next Steps programs, which targets aspirant, in-role and senior leadership staff. These initiatives seek to address the high employee turnover rate and the need to grow and develop our team members.

11.3 We have also re-established the East Herts Together staffing group, which is supported by the Transformation Board. Through this initiative, we aim to listen to our staff's feedback and incorporate their views and opinions in

shaping our approach to supporting them. Our objective is to ensure staff feel valued, heard, and appreciated.

11.4 In addition, we are currently reviewing our PDR process to enhance staff engagement and facilitate training needs analysis to allow for the delivery of impactful training interventions throughout the year.

11.5 We are implementing an Applicant Tracking System (ATS) that will enable us to review our recruitment process, improve the candidate experience, and facilitate the smooth onboarding of new employees. Our ultimate goal is to provide a welcoming experience for new hires and support our managers in this process.

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.

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

Alex Wanless, HR & OD Manager

Alex.wanless@eastherts.gov.uk

Report Author

Emily Cordwell, HR Officer

Emily.cordwell@eastherts.gov.uk