

**SCRUTINY
5 AUGUST 2019**

ESTABLISHMENT UPDATE

Cabinet Member(s): Cllr Nikki Woollatt
Responsible Officer: Matthew Page, Group HR Manager

Reason for Report: Cabinet requested a follow up to the presentation of the establishment report in February 2019 on key workforce indicators.

RECOMMENDATION: The Committee is asked to note the information below

Financial Implications: Our workforce is our largest single area of revenue spend. The performance of our establishment is critical to provide value for money to the community.

Approved by Finance: Yes – Group Manager for Financial Services, Jo Nacey

Legal Implications: A poor or underperforming establishment (high sickness, unresolved conflict) will result in rising litigation risk if issues are not effectively addressed by our line managers.

Approved by Legal: Yes – Group Manager for Legal Services, Kathryn Tebbey

Risk Assessment: No risk assessment issues identified for this report.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: There are no climate change impacts for this report.

Relationship to Corporate Plan: A present, high performing workforce is vital to the Council being able to deliver all of its corporate objectives.

1.0 Introduction/Background

1.1 The purpose of this report is to give an update on requested key agenda items that were mentioned after the presentation of the Establishment Cabinet paper in February 2019.

1.2 These items included updates on the key establishment indicators of sickness and agency expenditure, turnover and the makeup of the current HR establishment.

2.0 Sickness Absence and Agency Expenditure

2.1 Last year MDDC had an average of 7.92 sickness days per person, 3.04% of overall workforce time. For the 19/20 financial year there is both a target and subsequent action plan to reduce the number of days lost to less than 7 days per FTE employee (which would put the Council in line with industry standards across other Councils).

2.2 The action plan has included a focus on revising return to work interviews to look at the reasons for sickness absence and the support that could be provided to enable attendance at work. This included training all line managers in February of this year on this practice and providing monthly sickness absence reports to Group Managers.

2.3 In the first quarter of this year (April to June 2019) the Council has lost 1.59 days to absence per employee, meaning we are currently in line to meet the target set for the current financial year. The Group HR Manager is currently reviewing our sickness absence policy to ensure there is clarity around how sickness absence is reported, certified and the guideline for how and when line managers intervene.

2.4 One of the consequences of high sickness absence and other poor establishment performance (unresolved, high conflict) is rising agency costs.

2.5 During the first quarter of 2019/20 the organisation spent £113, 328.77 on agency workers. Agency workers provide cover to vacant posts as well as employees who are sick or absent from the workplace in critical services including waste and leisure. So there is further incentive to improve our position regarding sickness absence.

Turnover

3.1 Turnover for the first quarter stood (1 April to 30 June 2019) stands at 6.42%. During this period 28 employees left the Council; there were 16 resignations, 3 dismissals, 2 non-starters and 7 were end casual contracts.

3.2 This compares with a comparative first quarter rate of 6.6% from last year.

HR Establishment

4.1 For an establishment of 420 people, HR has 3 (FTE 2.8) HR Business Partners, 1 L and D Officer, 1 (FTE 0.6) HR Data Analyst, 1 Payroll Manager, 1 (FTE 0.5) Payroll Assistant (vacant), 1 HR Assistant and 1 HR Apprentice. Industry guidance is that there should be at least 1 HR Advisory post for each 90 staff (Xpert HR Report, May 19).

4.2 The Group HR Manager is currently reviewing the structure of the team and how it interfaces with the Council to advise on its people issues. Part of this review will be about ensuring that we can effectively advise on the workforce and establishment issues identified above (sickness, agency, turnover) as well as people risks and litigation threats.

4.3 There is also a requirement for us to have effective practical employment advice supported by a suite of policies and training in effective people interventions. This needs to be complimented by a comprehensive L and D toolkit that includes a competency framework, the ability to identify and grow skills, and leadership development (and to meet the requirements of the Evolve project).

Conclusion and Recommendations

5.1 There are a number of priorities which the Group HR Manager wants to focus on in terms of our Establishment performance but he would like to draw attention to three key priorities.

5.2 The first of these is a clear commitment to provide better and fuller workforce data to leaders and line managers on key indicators of our establishment performance including sickness and agency expenditure, turnover and recruitment timescales.

5.3 The second is to continue the focus on decreasing overall sickness absence below the current target of 7 days per FTE employee. This includes reviewing key aspects of our sickness absence policy including how sickness is reported and the guideline for what level of absence is deemed unacceptable.

5.4 The third is to strengthen the management by objectives culture through a revamp of our Appraisal/PDR and Supervision processes. This will be complimented by the Evolve project which will introduce a competency framework that will allow the Council to identify and develop the key skills in its workforce.

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Circulation of the Report: Cabinet Member seen and approved Yes – Cllr Nikki Woollatt, Leadership Team seen and approved Yes.

List of Background Papers: Establishment Paper submitted to Cabinet Feb 2019