

**SCRUTINY
16 AUGUST 2021**

ESTABLISHMENT UPDATE

Cabinet Member(s): Cllr Nikki Woollatt, Cabinet Member for Working Environment and Support Services

Responsible Officer: Matthew Page, Corporate Manager for People, Governance and Waste

Reason for Report: Scrutiny requested a follow up to the presentation of the establishment report in February 2021 on both the performance of the workforce but also how this had been affected by the COVID-19 pandemic.

RECOMMENDATION: The Committee is asked to note the information below

Financial Implications: Financial risk will only occur where the structure of a service changes without adherence to allocated budgets.

Budget and Policy Framework: This report sits within the current budget and policy framework.

Legal Implications: In accordance with article 14 of the Constitution.

Risk Assessment: If the establishment is not appropriately managed and reviewed then service delivery will be put at risk.

Equality Impact Assessment: No equality issues highlighted in this report.

Relationship to Corporate Plan: This report highlights the Establishment figures and, as such, supports our aim to reduce costs without affecting service quality and continuity.

Impact on Climate Change: No climate change issues highlighted in this report.

1.0 Introduction/Background

1.1 The purpose of this report is to give an update on the performance of our workforce and how this has been affected by the COVID-19 pandemic.

1.2 These items included updates on the key establishment indicators of sickness and agency expenditure, turnover and the impact of COVID-19 on our workforce.

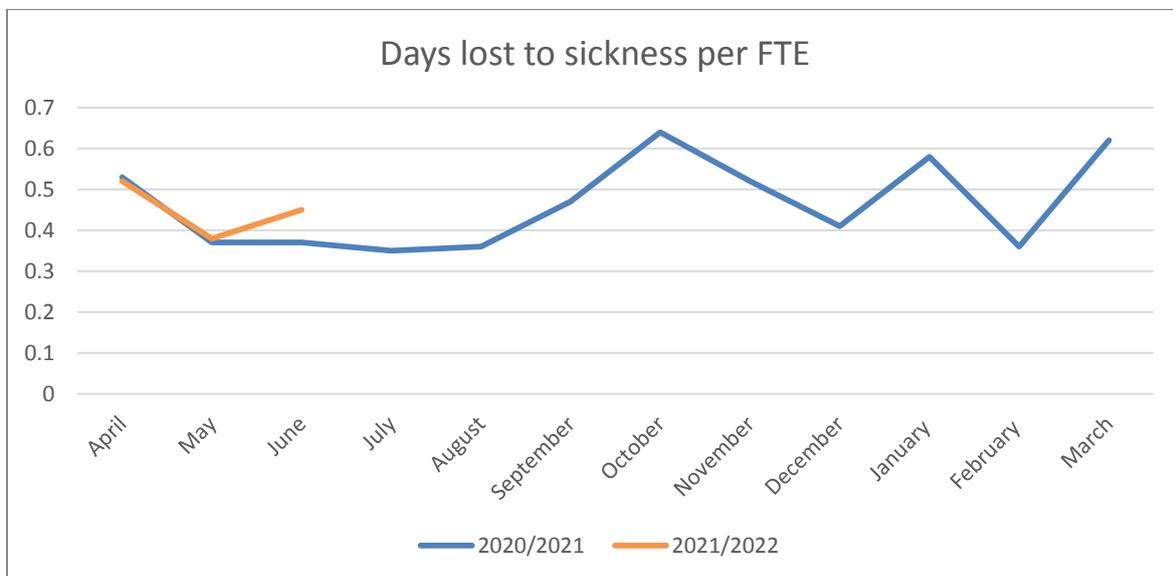
2.0 Sickness Absence, Agency Expenditure and Establishment

2.1 Last year MDDC had an average of 5.57 sickness days per FTE person, 2.7% of overall workforce time. This compares to 8.10 sickness days that were lost per FTE employee in 2019/20. For the 2021/22 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). This is down to a rise in sickness that is expected to occur as a result of further COVID-19 restrictions being lifted and the presence of further variants that may require additional vaccination over time.

2.2 A new sickness absence policy was introduced in 2020 to clarify the reporting and certifying arrangements for sickness, a new management guideline (an employee should not have more than six days or absence in the year) and clearer interventions around long term and short term sickness absence. There has been a shift away from short term sickness to long term sickness during the pandemic (it has been suggested an increase in working from home has helped to reduce short term sickness).

2.3 In the first quarter of this year (April to June 2021) the Council has lost 1.35 days to absence per FTE employee, meaning we are currently in line to meet the target set for the current financial year. Our sickness absence is usually less in the first two quarters of the financial year than in the last two due to the autumn and winter seasons (not including COVID-19). We have also seen the number of staff who were on furlough reduce from 20% to 0% as services like Leisure reopened and resumed their services to the public.



2.5 There is a comprehensive package of measures being developed by our new Health and Safety Officer, Chris Hodgson which look to improve levels of wellbeing and improved support around mental health in the workplace. This includes establishing a base line of where the Council is at in terms of the wellbeing of its staff and look at using the Warwick-Edinburgh mental wellbeing scale.

2.6 The Council is also planning to run an all staff survey in the autumn to gauge opinion and feedback on key organisation performance indicators including communication, leadership, development and wellbeing. This will be run by an independent organisation to both ensure a greater level of trust and confidence in the survey and its impartiality. It will also be able to benchmark our results against different organisations including other councils.

- 2.7 One of the consequences of high sickness absence and other poor establishment performance (unresolved, high conflict) is rising agency costs.
- 2.8 During the first quarter of 2021/22 the organisation spent £172,710.47 on agency workers (some of this spend owing to providing cover to critical services during COVID-19). In the last two financial years the Council has paid out £534, 378.49 in 2019/20 and £576,368.28 in 2020/21. 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 continuously improve our position regarding sickness absence.
- 2.9 The below tables compare the establishment for the Council and their associated costs for 2019/20 and 2020/21. Although the Establishment is effectively the same the reduction in the number of employees being paid is explained by both post holders being placed on furlough and some vacancies being held back prior to future restructuring. Please note that the increase in gross pay for 2020/21 includes a 2.75% cost of living award which is made to each member of staff.

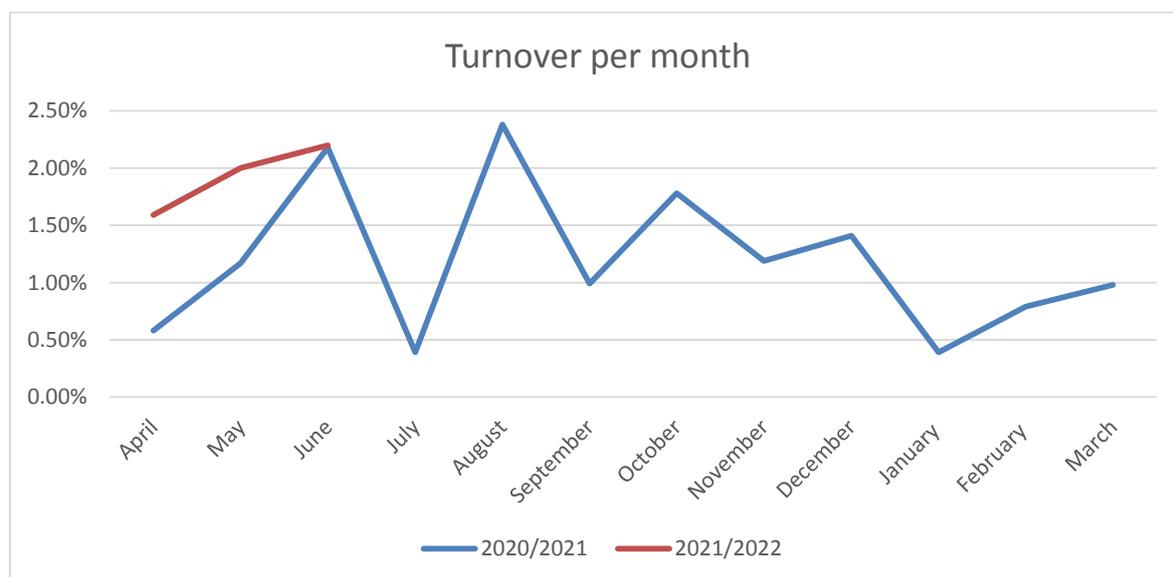
	2020/21	2019/20
Total number of employees/workers paid	697	718
Establishment FTE	422.79	422.11
Total Taxable Gross Pay	£11,515,324.63	£11,170,336.78
Employers NI	£ 1,038,135.28	£ 1,024,710.32
Employers Pension	£ 1,832,713.73	£ 1,595,839.06

3.0 Turnover

- 3.1 Turnover for the first quarter stood (1 April to 30 June 2021) stands at 5.79%. During this period 29 employees left the Council; there were 24 resignations, 2 dismissals with notice, 1 end of probationary, 1 redundancy and 1 retirement.
- 3.2 This compares with turnover standing at 3% in Q4 of the 2020/21 financial year and a cumulative turnover figure of 14.23%. This was lower than the cumulative turnover figure for 2019/20 which stood at 18%.
- 3.3 Below is a full breakdown of all leavers and data collected during exit interviews for last 18 months. This information is shown in Appendix 1 with the below graph comparing turnover in 2020/21 with the first quarter of 2021/22. There has been a similar rise in the rate of turnover during the first three months of both financial periods.
- 3.4 Mid Devon, like other local authorities, is facing increasing challenges over turnover due to a number of different external factors. In terms of manual work the lack of supply of Eastern European workers has hit different industries hard which has had the result of increased competition for drivers, loaders and other types of worker amongst different sectors.
- 3.5 These challenges have brought into sharp focus the need to consider our longer term employment offer for potential applicants. Key aspects include

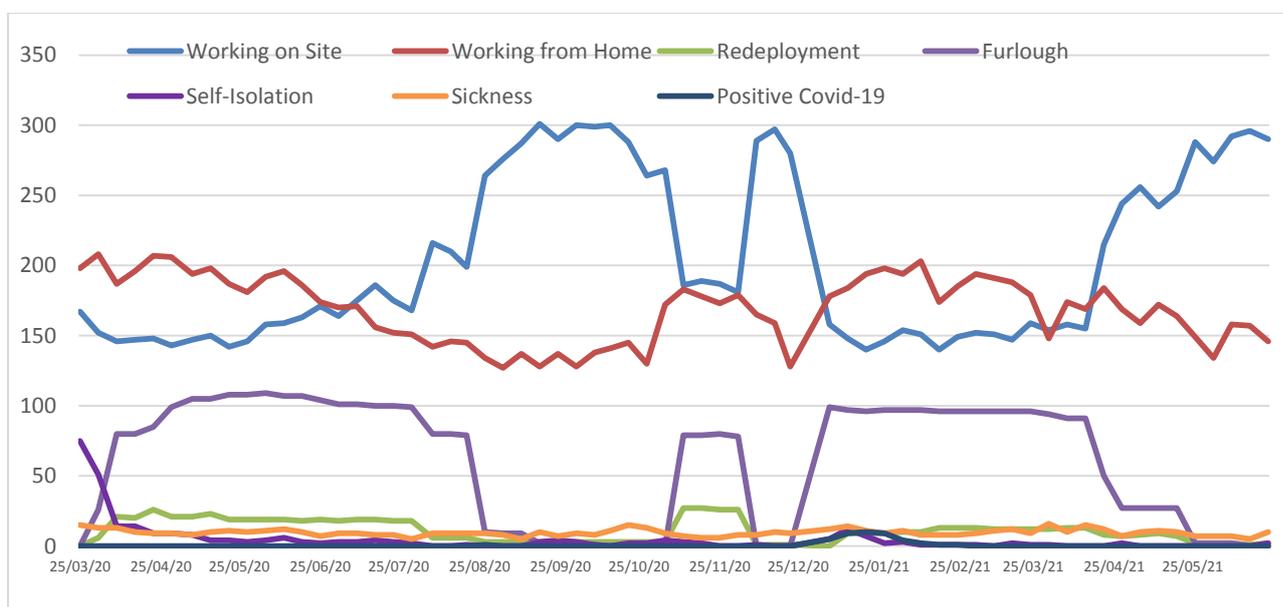
promoting our benefits, promoting greater flexible working where it is possible to do so (see next section on work already commenced around greater mobile, hybrid working) but also creating a path of progression and development for each employee so we give ourselves the best possible opportunity to retain the talent and leaders of tomorrow.

- 3.6 Our work around the Evolve learning and development project has developed considerably since I last reported to members with a first successful run of online Appraisal/PDR completed and a 90% response rate achieved to date. This will inform a future skills analysis piece that has been captured by the Appraisal process which will inform future workforce planning as well as talent and leadership development programmes.



4.0 COVID-19

- 4.1 Since March 23 2020 when the government announced a formal lockdown of both businesses, services and offices, the Council have been closely managing both the health and wellbeing of its workforce as well as how it is redeployed to ensure critical services are delivered to the public.
- 4.2 Key activity has focused on reporting the status and performance of our workforce on first a daily then a weekly basis. During COVID 19 our workforce has been very stable in its status with at first 30% of our employees on site or in the office delivering critical work or services, 40% working from home and 20% furloughed.
- 4.3 This has changed over recent months with the lifting of restrictions and the opening up of key services including Leisure so around 55% of our workforce are currently in work with 30% working from home. The Council is maintaining its stance of encouraging the workforce to work from home where possible, isolate if necessary and get tested if required to protect the safety of our workforce and the public we serve. The below graphs show how the workforce has had to adjust to different restrictions imposed over recent months.



4.4 The furlough scheme allowed employers to be reimbursed for 80% of their employees' salaries where employees were unable to work due to closures etc. caused by Covid 19.

4.5 We have furloughed mainly employees from our leisure services over the last 18 months (this includes the casual employees from Leisure). It also includes employees who were shielding from other service areas.

The money reclaimed during 2021, since the last Establishment report, from the furlough scheme is as follows:

January 21	£74123.67
February 21	£69833.22
March 21	£54359.58
April 21	£25544.59
May 21	£980.27

We have not claimed any furlough allowance since 31st May 2021

4.7 Over the last 18 months the Council have responded to the ever changing guidance and restrictions to ensure that our workforce were appropriately protected but also that our services could be maintained to the highest possible standard during this time. An example of us having to adapt to these conflicting priorities was reducing the period that staff had to self-isolate to 21 days after finding out that COVID symptoms can be detected by a PCR test up to 90 days after an individual has contracted COVID-19. Our original position was to request a negative PCR test to be obtained before an employee returned to the workplace.

4.8 Other key initiatives have included publicising drop in opportunities for staff to get their COVID vaccinations and to bring forwards their second jab to 8

weeks (from the previous position of it being 12). We also worked closely with Devon County to set up a testing centre in Exe Valley which was manned by our own Leisure staff and we have taken delivery of lateral flow tests to give to our front line service staff (although these are currently in short supply). The organisation has run two staff surveys in relation to COVID-19 to get feedback on the practice that has had to be brought in to ensure critical services could operate to the highest possible standard during the pandemic. Overall feedback was very positive with staff highlighting increased benefit and productivity from being able to work in a more flexible way.

- 4.9 The organisation has started to look ahead to allow some parts of the workforce to work in a more mobile, hybrid way in the future. This recognises that whilst some aspects of the workforce will need to be on site to deliver front line services to the public, other parts of the workforce have benefited from having greater flexibility and being able to go to the area of activity where they are most required. Other opportunities include reducing our carbon footprint and revising our approach to travel as well as looking at options around the potential renting out of office space. We have just completed the first of many surveys with our service leads and are about to start the first of two pilots where we will look ahead to how mobile, hybrid working could operate in the longer term.

5.0 Conclusion and Recommendations

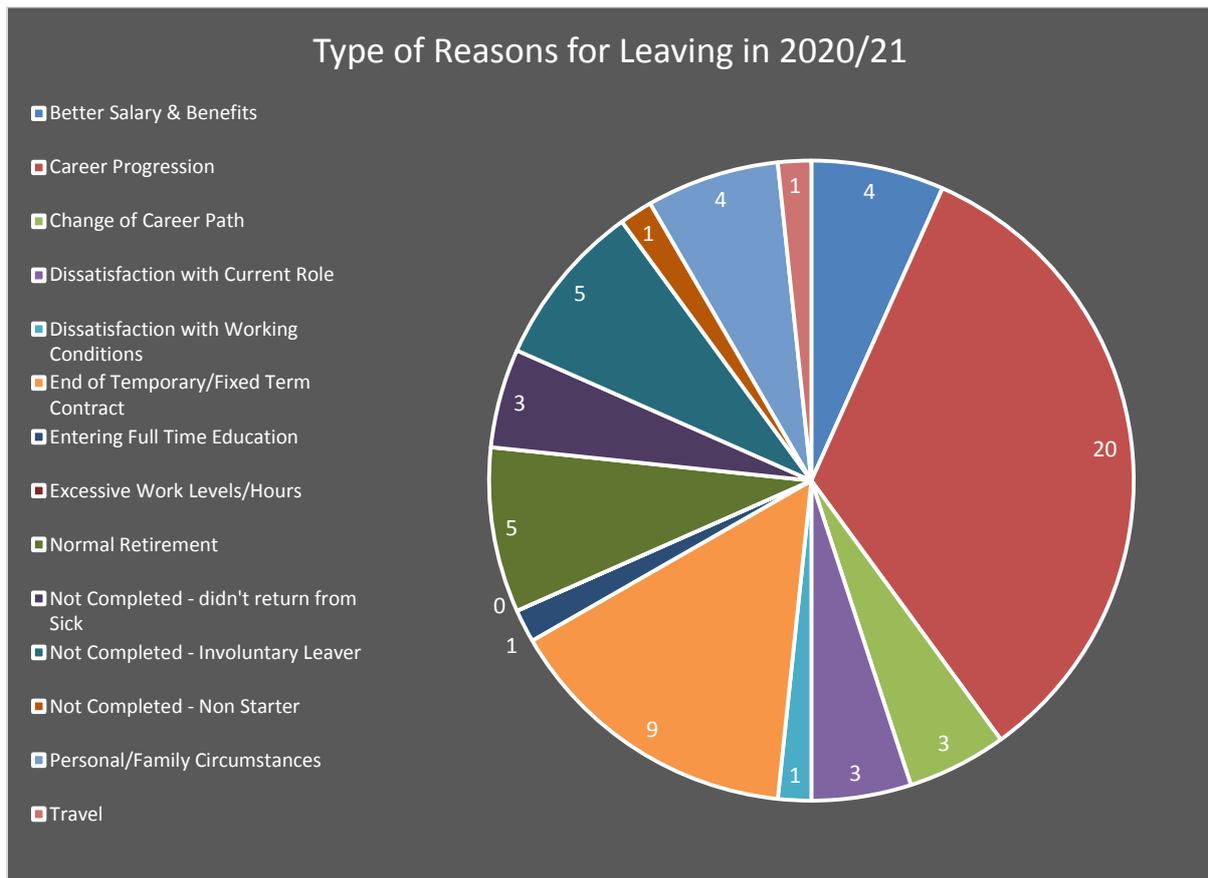
- 5.1 There are a number of priorities which the Corporate Manager for People, Governance and Waste wants to focus on in terms of our Establishment performance but he would like to draw attention to three key priorities.
- 5.2 It is vital that we continue to plan ahead for COVID-19 and a potential fourth wave in the autumn/winter period. It is also predicted that seasonal flu and other illness may result in a spike in staff absence during this period. We will also continue to develop our work around mobile, hybrid working.
- 5.3 We are about to commence quarterly performance review meetings that will be chaired by the Corporate Management Team and encourage workforce data including sickness, turnover and vacancy rates to be compared to our budget position as well as agency and overtime expenditure. This will allow a fuller understanding of our performance to be obtained.
- 5.4 We will compile the skills analysis from the recent running of online Appraisals and use this to inform workforce planning as well as our plans around talent management and leadership development. We will also run an independent staff survey this autumn with the results available to be viewed before Christmas.

Contact for more Information: Matthew Page, **Corporate Manager for People, Governance and Waste** (MPage@middevon.gov.uk)

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

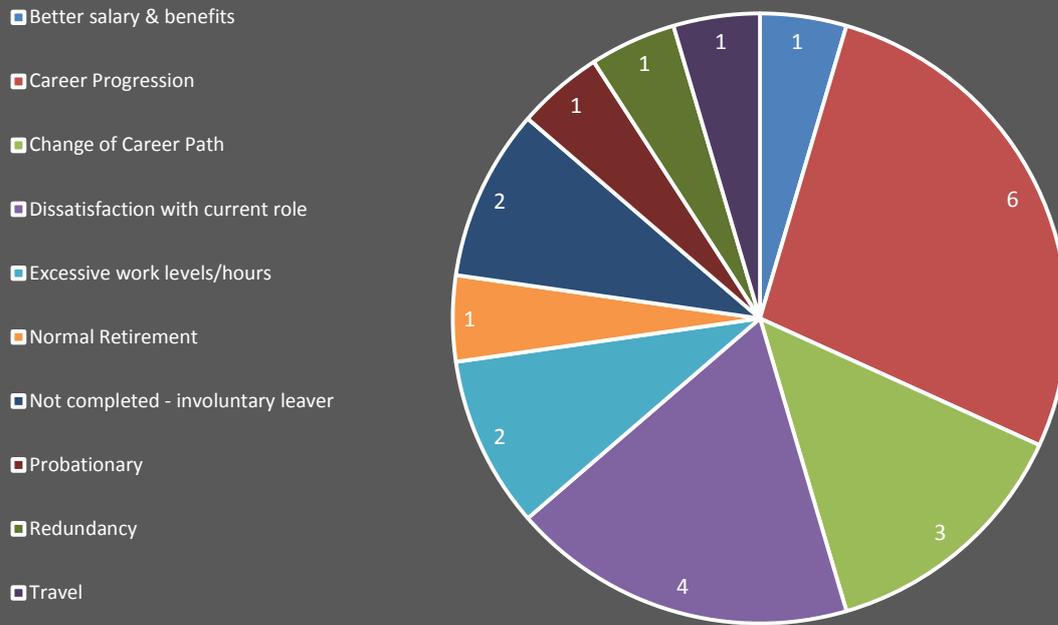
List of Background Papers: Establishment Paper submitted to Cabinet February 2020.

Appendix 1



Type of Reasons for Leaving 2020/21	
Better Salary & Benefits	4
Career Progression	20
Change of Career Path	3
Dissatisfaction with Current Role	3
Dissatisfaction with Working Conditions	1
End of Temporary/Fixed Term Contract	9
Entering Full Time Education	1
Excessive Work Levels/Hours	0
Normal Retirement	5
Not Completed - didn't return from Sick	3
Not Completed - Involuntary Leaver	5
Not Completed - Non Starter	1
Personal/Family Circumstances	4
Travel	1

Type of Reasons for Leaving in 2021/22 Q1



Type of Reasons for Leaving 2021 Q1	
Better salary & benefits	1
Career Progression	6
Change of Career Path	3
Dissatisfaction with current role	4
Excessive work levels/hours	2
Normal Retirement	1
Not completed - involuntary leaver	2
Probationary	1
Redundancy	1
Travel	1