

CABINET FEBRUARY 1 2022

ESTABLISHMENT

Cabinet Member(s): Cllr Bob Deed, Cllr Nikki Woollatt
Responsible Officer: Matthew Page, Corporate Manager for People, Governance and Waste

Reason for Report: To give Members an update on both the establishment of the council together with its performance. This report should be read in conjunction with the functions of individual officers highlighted in the Constitution.

RECOMMENDATION: The Cabinet is asked to recommend to Council the contents of the below report.

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 may 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

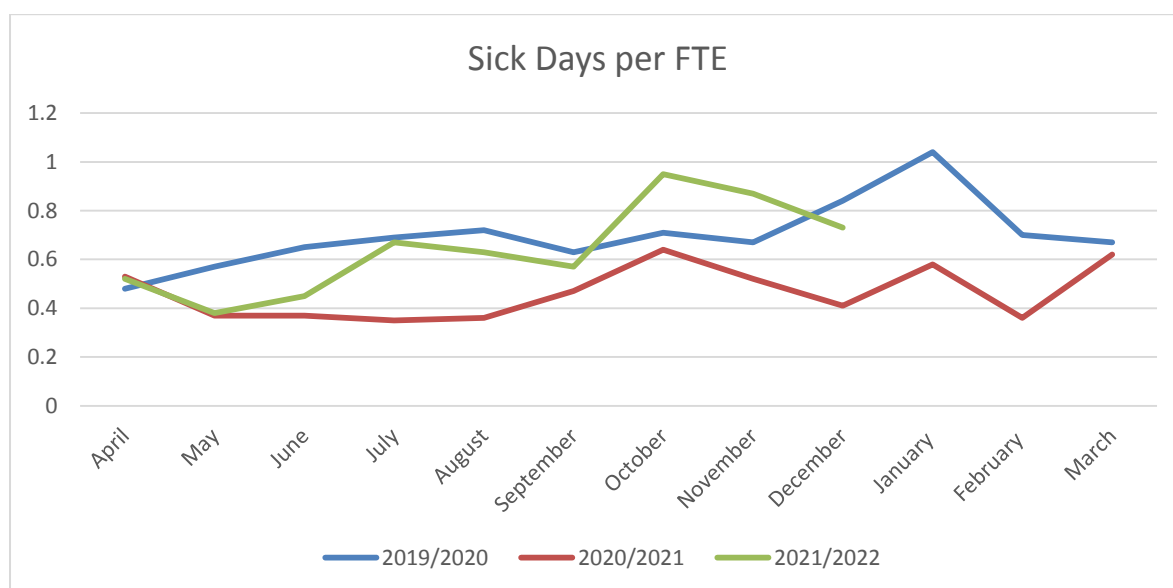
1.1 The purpose of this report is to give an update on the performance of our workforce and how this has been affected by the COVID-19 pandemic.

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.

1.3 The work around scrutinising the performance of our Establishment has significantly improved during 2021 with Corporate Management and Operational Service Budget Leads regularly meeting with their HR Business Partners and Accountants to compare workforce data regarding turnover, sickness and vacancy rates with finance and budget related spend eg agency spend. Good establishment and budget management go hand in hand so this should lead to better understanding and decision making in the future.

2.0 Sickiness Absence, Agency Expenditure and Establishment

- 2.1 Last year (2020/21) 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 was expected to occur as a result of COVID-19 restrictions being lifted and the presence of further variants that have required additional vaccination over time. This anticipated rise in sickness absence has become more evident during the autumn and winter months (starting in October 21).
- 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 of absence in the year) and clearer interventions around long term and short term sickness absence. A recent management survey conducted around how to best increase line manager confidence and capability around people interventions had led to the creation of an in house management development programme. This is due to start in February 2022.
- 2.3 In the first three quarters of this year (1 April to 31 December 2021) the Council has lost 5.4 days to absence per FTE employee, meaning we are currently in line to meet or slightly exceed 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 awareness has been complimented by the development of a comprehensive

package of support regarding the menopause including a new training programme for line managers and employees, the development of wellbeing ambassadors (using the all staff consultative group Impact) and a new policy.

- 2.6 The Council ran an all staff survey in the autumn of 2021 to gauge opinion and feedback on key organisation performance indicators including communication, leadership, development and wellbeing. This was run by an independent organisation to both ensure a greater level of trust and confidence in the survey and its impartiality from employees. It also benchmarked our results against different organisations including other councils. An action plan is being compiled by the all staff consultative group Impact at the time of writing.
- 2.7 One of the consequences of increasing sickness absence (partly caused by COVID-19) as well as turnover and vacancies that have proven challenging to fill (e.g. HGV drivers) is rising agency costs.
- 2.8 During the first three quarters of 2021/22 the organisation spent £533,028.00 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 so we are looking at a rise in spend for 2021/22 of around £150K (so end of year projection is at £700K). Agency workers provide cover to vacant posts as well as employees who are sick or absent from the workplace in public facing 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 2020/21 and 2021/22. The small increase in Establishment is explained by more people returning to work from Furlough over time. Please note that the increase in gross pay for 2021/22 does not include a proposed 1.75% cost of living award which is yet to be made to each member of staff due to a national ongoing dispute with the Unions.

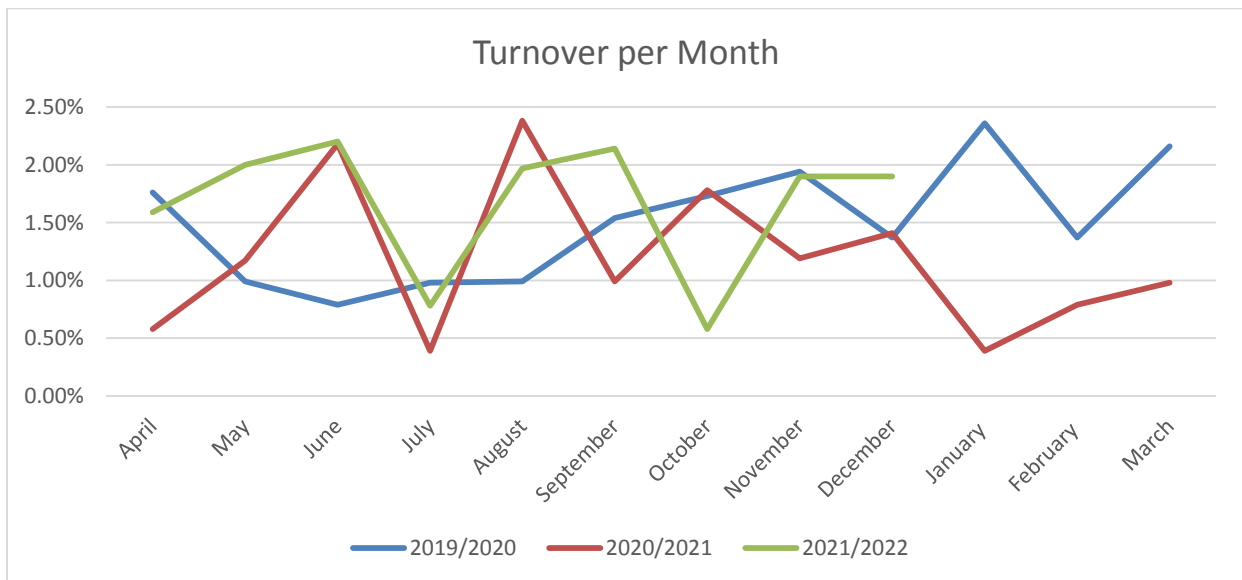
	2020/21	2021/22	2021/22 (Assuming 1.75% Increase)
Total number of employees/workers paid	697	699	699
Establishment FTE	422.79	425.63	425.63
Total Taxable Gross Pay	£11,515,324.63	£11,832,654.33	£12,039,725.78
Employers NI	£ 1,038,135.28	£ 1,087,280.03	£ 1,106,307.43
Employers Pension	£ 1,832,713.73	£ 1,901,929.77	£ 1,935,213.54

3.0 Turnover

- 3.1 Turnover for the first three quarters stood (1 April to 31 December 2021) stands at 15.09%. During this period 75 employees left the Council; there were 66 resignations, 2 dismissals with notice, 1 end of probationary, 1

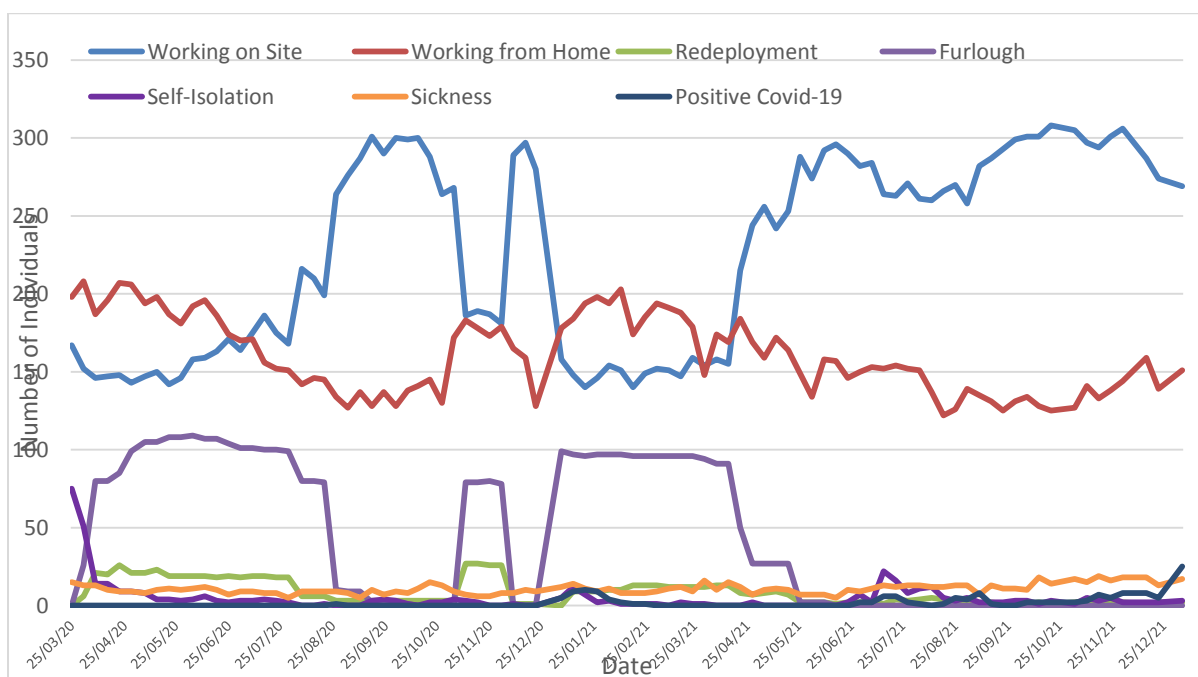
redundancy, 2 retirements, 2 end of fixed-term contracts and 1 death in service.

- 3.2 This compares with turnover standing at 14.23% for the 2020/21 financial year and 18% for 2019/20.
- 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 three quarters of 2021/22.
- 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. The increase in people being able to work in a mobile, hybrid way has resulted in employees having greater choice and flexibility over where they work (and how).
- 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, encouraging 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 Another vital component of our work around workforce planning is to continue the development of our Apprenticeship programme which was formally recognised in February 2021 through the receiving of a national award from Petroc. The recruiting of new talent into the Council through the further development of our Apprentice programme but also the use of national initiatives such as the Kick Start programme are going to be increasing priorities for the future.
- 3.7 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 94% response rate achieved to date. This work is informing both a future skills analysis piece that has been captured by the Appraisal process which will inform future workforce planning as well as the roll out of online six month and then quarterly objective and development reviews during 2022/23.



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 changed during Spring and the Summer period of 2021 with the lifting of restrictions and the opening up of key services including Leisure so around 60% of our workforce are currently in work with 25% 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 up to 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 and then 10 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. 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 our own lateral flow tests to give to our front line service staff. 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 set up a physical demonstration for how new SMART desks may look and work in the ICT room of Phoenix House and have circulated this online to all employees. Members are invited to look at this in house proposal and demonstration.

5.0 Conclusion and Recommendations

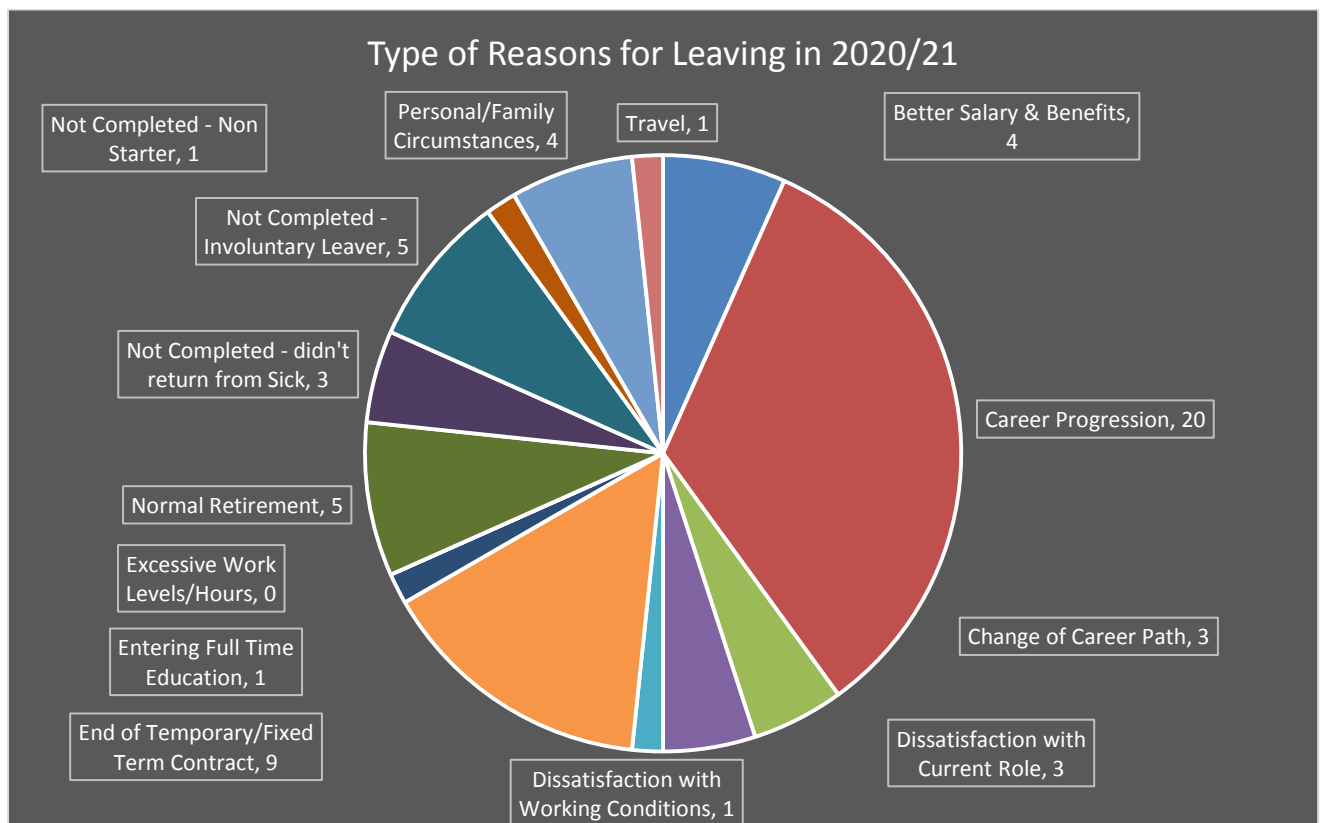
- 5.1 There are a number of priorities which the Corporate Manager for People, Governance and Waste wants to focus on in terms of our Establishment performance but he would like to draw attention to three key priorities.
- 5.2 It is vital that we continue to plan ahead for COVID-19 and dealing with the current Omicron wave for the forthcoming winter period. It is also predicted that seasonal flu and other illness will continue to 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 need to continue to consider how we recruit and retain our employees in different ways given the external challenges we face. The recent 'Work Local' promotion logo evident on the side of some of our Waste vehicles is one small example of how we need to be able to attract candidates in a variety of ways using different media. Another key priority is to build on our successful Apprentice programme to bring in new talent to the Council.
- 5.4 We need to implement the action plan priorities that will arise from the current discussions being held on the staff survey results. These include promoting better wellbeing practice including the management of emails, increasing the frequency of corporate communication (and improving it) as well as developing our online management of objectives and development.

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

Circulation of the Report: Cabinet Member– Cllr Nikki Woollatt, Leadership Team

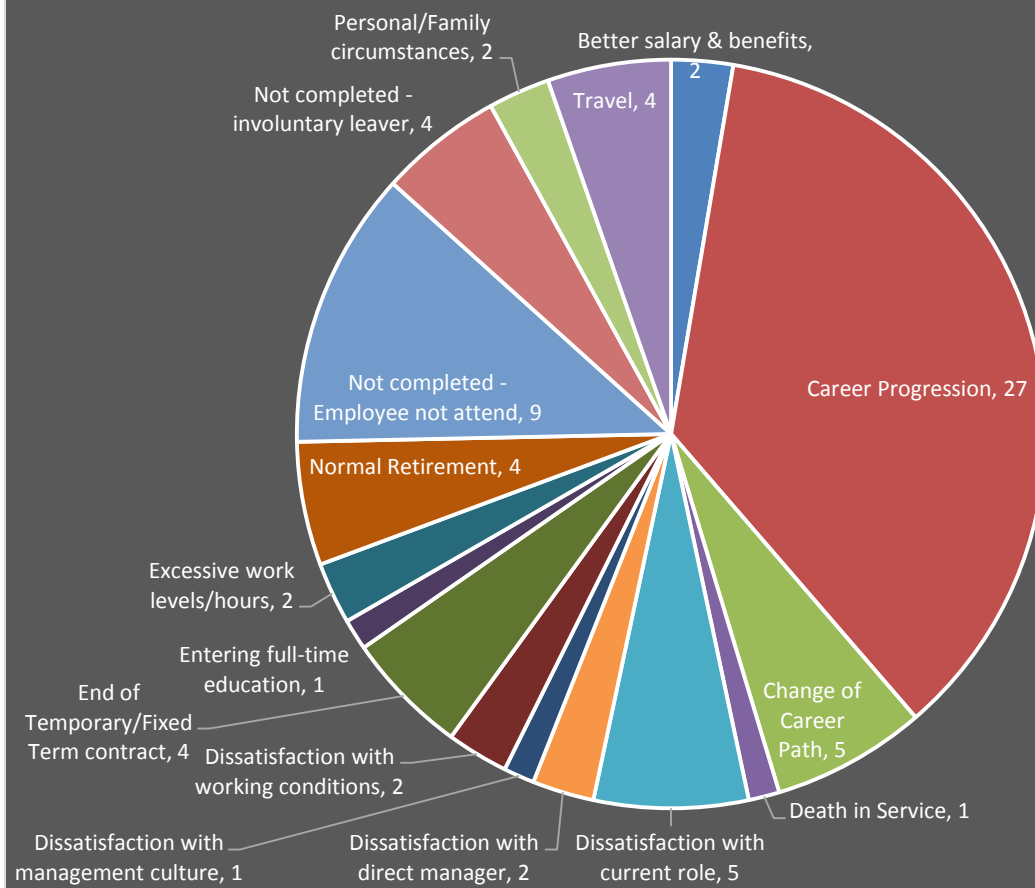
List of Background Papers: Establishment Paper submitted to Cabinet February 2021.

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-Q3



Type of Reasons for Leaving 2021/22 Q1-Q3	
Better salary & benefits	2
Career Progression	27
Change of Career Path	5
Death in Service	1
Dissatisfaction with current role	5
Dissatisfaction with direct manager	2
Dissatisfaction with management culture	1
Dissatisfaction with working conditions	2
End of Temporary/Fixed Term contract	4
Entering full-time education	1
Excessive work levels/hours	2
Normal Retirement	4
Not completed - Employee not attend	9
Not completed - involuntary leaver	4
Personal/Family circumstances	2
Travel	4