

**CABINET
7 FEBRUARY 2023**

ESTABLISHMENT

Cabinet Member: Clive Eginton, Deputy Leader and Cabinet Member for the Working Environment and Support Services

Responsible Officer(s): Matthew Page, Corporate Manager for People, Governance and Waste
James Hamblin, Operations Manager Human Resources

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. This builds upon information shared in February 2022 and September 2022.

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 are 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 are highlighted in this report.

1.0 Introduction/Background

1.1 The purpose of this report is to provide an update on the performance of our workforce as we continue to move out of the COVID-19 pandemic and into Spring 2023.

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

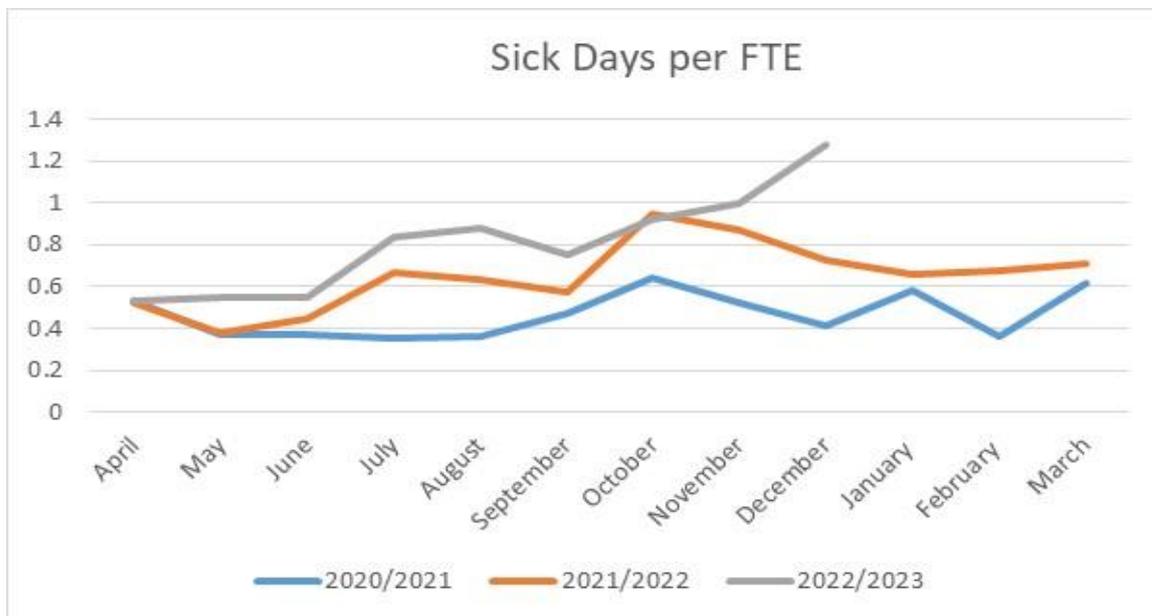
1.3 Scrutiny of this data has been enhanced throughout 2022 as we developed the service quarterly performance review report and subsequent meeting. As outlined in the February 2022 Establishment Report, these meetings are attended by the Corporate Manager, Service Lead (if applicable), HR Business

Partner and Accountant. These meetings are also supported by monthly updates on workforce data provided at our Corporate Performance Meeting and shared with both the Corporate Management and Leadership teams.

2.0 **Sickness Absence, Agency Expenditure and Establishment**

- 2.1 Last year (2021/2022) MDDC had an average of 7.82 sickness days per FTE. This compares to 5.58 sickness days that were lost per FTE in 2020/21 and 8.10 sickness days that were lost per FTE in 2019/2020. Within our current policy, the aim set for each employee is not to exceed 6 days of absence in a rolling 12 month period. It should be noted that there will be a difference between FTE and per employee statistics, however the statistics show a dip in sickness during the pandemic. See Graph 1.
- 2.2 Acknowledging absence levels since 2019, an updated policy and training for managers is due to be rolled out in 2023. However it should be noted that absence levels faced at the Council track closely with both local and national feedback on sickness absence levels. As predicted in the September 2022 Scrutiny Report, an increase in absence is unsurprising as the workforce have not been exposed to illnesses which have been suppressed over the last 2 years.
- 2.3 In house management training has been rolled out in 2022, with managers able to access both live and recorded sessions on the following: 'Managing Difficult Conversations', 'Managing Poor Performance' and 'Investigations, Disciplinarys and Grievances'. Feedback from the sessions has shown content has been well received with confidence in managers increasing as a result of the information provided. An underlying theme of all training provided in house is to encourage early intervention by managers.
- 2.4 In the first three quarters of this financial year we recorded 7.30 days sickness absence per FTE. As a result we are currently in line to see sickness absence levels this year in excess of 2019/2020. Projections would suggest we end 2022/2023 with approximately 9.73 days lost per FTE. 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 and we are still seeing substantial employee absence due to COVID-19 and related infections (referenced in Section 4.0).
- 2.5 Wellbeing and supportive measures for employees have been highlighted throughout 2022, as we look to encourage employees to take positive action. A heavily discounted Leisure membership has been rolled out to employees at the Council (circa 50% of the public fees), as well as, a one off wellbeing day and there being increased communication regarding our Employee Assistance Programme. A review of our Wellbeing Ambassador initiative is due in 2023 as we look to provide clarity on the support we have in place for employees, alongside the existing mental health first aider scheme, Employee Assistance Programme and occupational health support.
- 2.6 The Council offered all staff under 50 a free voucher for a flu vaccination, acknowledging the current sickness levels and in order to prevent future sickness absence in the workforce. Despite regular advertisement of the benefit, uptake has been low to date.

2.7 Following the all staff survey in Autumn 2021 to gauge opinion and feedback on key organisational performance indicators including communication, leadership, development and wellbeing, the subsequent action plan is still in focus with the next round of all staff briefings due in early 2023. A further all staff survey is scheduled for Summer 2023.



Graph 1. Sickness at MDDC 2020 - 2023

2.8 In October 2022 a benefits survey was rolled out to employees at the Council. The aim was to understand what benefits employees currently value and understand, as well as, what benefits they would like the Council to consider in the future. As a result of the survey, a 'Benefits Overview' is being published in January 2023. This will highlight the existing benefits employees at the Council can already access and it will be used as part of our recruitment literature.

2.9 An ongoing challenge, further cemented by the impact of sickness absence levels, has been our access to temporary/agency workers. Costs of temporary/agency workers has been steadily increasing, as nationally we see high levels of employment against a backdrop of record high levels of vacancies.

2.10 During the first three quarters of 2022/23 the organisation spent £723,879.98 on agency workers. This compared to a total spend in 2021/22 of £823,288.55, £576,368.28 in 2020/21 and £534,378.49 in 2019/20. Projections using our existing figures would suggest we end 2022/2023 with approximately £965,173.31 in agency spend. Table 1 outlines agency spend since 2019.

2.11 There is an underlying theme within our agency make up, as we move away from 'lower cost/higher volume' agency workers (e.g. Waste and Recycling) to 'higher cost/lower volume' agency workers (e.g. Planning). The use of agency workers has been brought under further scrutiny as we continuously review our Establishment and seek to improve processes to allow for greater rigour and

challenge regarding staffing (e.g. the updated Vacancy Approval Process and Workforce Review Group rolled out in December 2022).

Year	Agency Spend	YOY Change (+/-)
2019/2020	£534,378.49	
2020/2021	£576,368.28	+7.56%
2021/2022	£823,288.55	+35.28%
2022/2023	£965,173.31*	+15.87%*

*9 months data grossed up to 12 months

Table 1. Agency Spend 2019 - 2022

2.12 Table 2 compares the Establishment for the Council and the associated costs from 2019/2020 to 2022/2023. Costs for 2022/2023 will include the flat payment made to employees following the completion of Pay Award negotiations that was confirmed in November 2022. Work is already underway for the 2023/2024 Pay Award, with Unions expected to confirm their expectations at the end of January 2023. This comes against a backdrop of increased industrial action across sectors in the UK and ongoing negotiations highlighted within the media.

	2019/2020	2020/21	2021/22	2022/23*
Total number of employees /workers paid	718	697	728	698
Establishment FTE	422.11	422.79	426.43	431.02
Total Taxable Gross Pay	£11,170,336.78	£11,515,324.63	£12,197,334.88	£12,802,503.87*
Employers NI	£1,024,710.32	£1,038,135.28	£1,126,244.53	£1,288,737.39*
Employers Pension	£1,595,839.06	£1,832,713.73	£1,938,973.16	£2,103,271.45*

*9 months data grossed up to 12 months

Table 2. Establishment 2019 - 2023

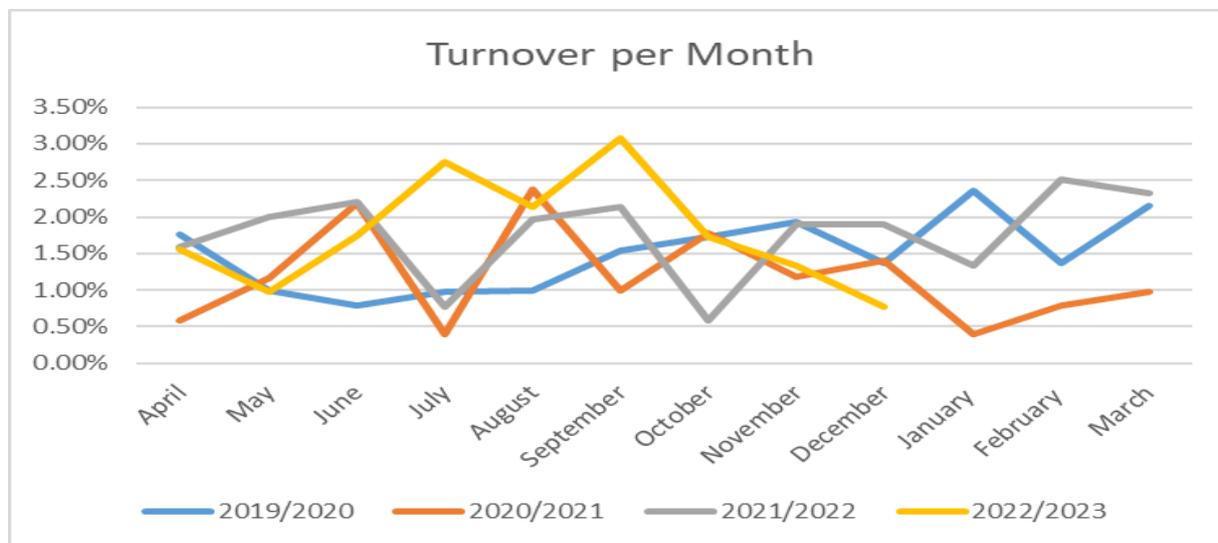
3.0 Turnover

3.1 Turnover for the first three financial quarters (1 April to 31 December 2022) stands at 16.07%. This compares to a turnover of 2021/22 in 21.25%, 14.23% in 2020/21 and 17.98% in 2019/20. Graph 2 highlights turnover per month since 2019 with estimates, based on current turnover, suggesting we end the current financial year with a turnover of 21.42%.

3.2 A full breakdown of all leavers and data collected during exit interviews for the last financial year is shown in Appendix 1. For those that completed the exit interview, career progression was cited as the main reason for leaving. Appendix 2 highlights the reasons for leaving during quarters 1 to 3 of 2022/2023.

3.3 A new exit interview format is launching in February 2023, with a focus on collating data in a more efficient and effective way. The new exit interview will allow for greater learning from those that are departing the Council and this, in turn, can help formulate more informed decision making and action planning.

3.4 Mid Devon, like other local authorities, has faced increasing challenges over turnover due to a number of different external factors. In terms of manual work the lack of supply of 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. In some sectors a movement towards 'contractor' work rather than 'employed' work has been supported by record levels of vacancies across the UK as workers attempt to earn more money in the current cost of living crisis.



Graph 2. Turnover at MDDC 2019 - 2023

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 (as will be seen with the 'Benefits Overview' document in January 2023) and encouraging greater flexible working where it is possible to do so (as has been seen in our roll out of hybrid working in 2022). Whilst delayed, the launch in 2023 of the skills review will allow for the Council to understand the skills and knowledge gaps within services and contribute to succession planning.

3.6 Apprenticeships across services are supporting the 'grow your own talent' initiative at the Council. The Council supported the 'KickStart' initiative in 2022, however this government scheme has subsequently come to a conclusion. The Council continues to maximise the apprenticeship levy by utilising this for both those joining the Council as an 'apprentice' and those currently employed by the Council but who are developing further skills/knowledge through training accessed via the levy.

3.7 In June 2022 the Council was awarded the Petroc Employer of the Year Award. This reflects the ongoing work with educational providers to ensure the Council is an employer of choice for those entering the workplace.

3.8 Our work around the Evolve learning and development project continues to develop. This round of Appraisal/PDR has been completed with a 94% response rate achieved. Guidance on the new appraisal process has been shared with our Leadership Team, Corporate Management Team and Service

Leads, as we extend the appraisal window this year due to significant events scheduled later this year (e.g. local elections).

4.0 COVID-19

4.1 The Council continued to enforce protective measures in line with the Government guidance. As these were phased out in 2022, employees returned to their 'normal' place of work. Feedback, as highlighted in the all staff survey, has been largely supportive of the communication and measures put in place to protect staff during the pandemic.

4.2 As is referenced within the sickness absence reporting in Section 2.0, COVID-19 does still significantly contribute to sickness absence. In December 2022, 92 days were lost due to COVID-19 accounting for 14.9% of all absence in the month. As responsibility for testing and the associated costs are held by the employee, the actual amount of sickness absence due to COVID-19 is likely to be higher.

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.

5.2 It is vital that we continue to plan, review and scrutinise business continuity plans in the face of the challenges brought by the high levels of sickness absence. This should run in parallel with continued scrutiny of our Establishment through mechanisms such as the Workforce Review Group.

5.3 We continue to instil best employment practice and benefits, using the information obtained through the all staff survey action plan and findings from other surveys (e.g. Benefits Survey). We are committed to communicating with employees to keep them updated with business developments and changes.

5.4 We will review the skills analysis once completed to understand the gaps we have as an organisation and use this data to support long term succession planning at the Council. This needs to run in parallel with our focus on growing our own talent (e.g. apprenticeships) vs hiring talent vs developing existing talent.

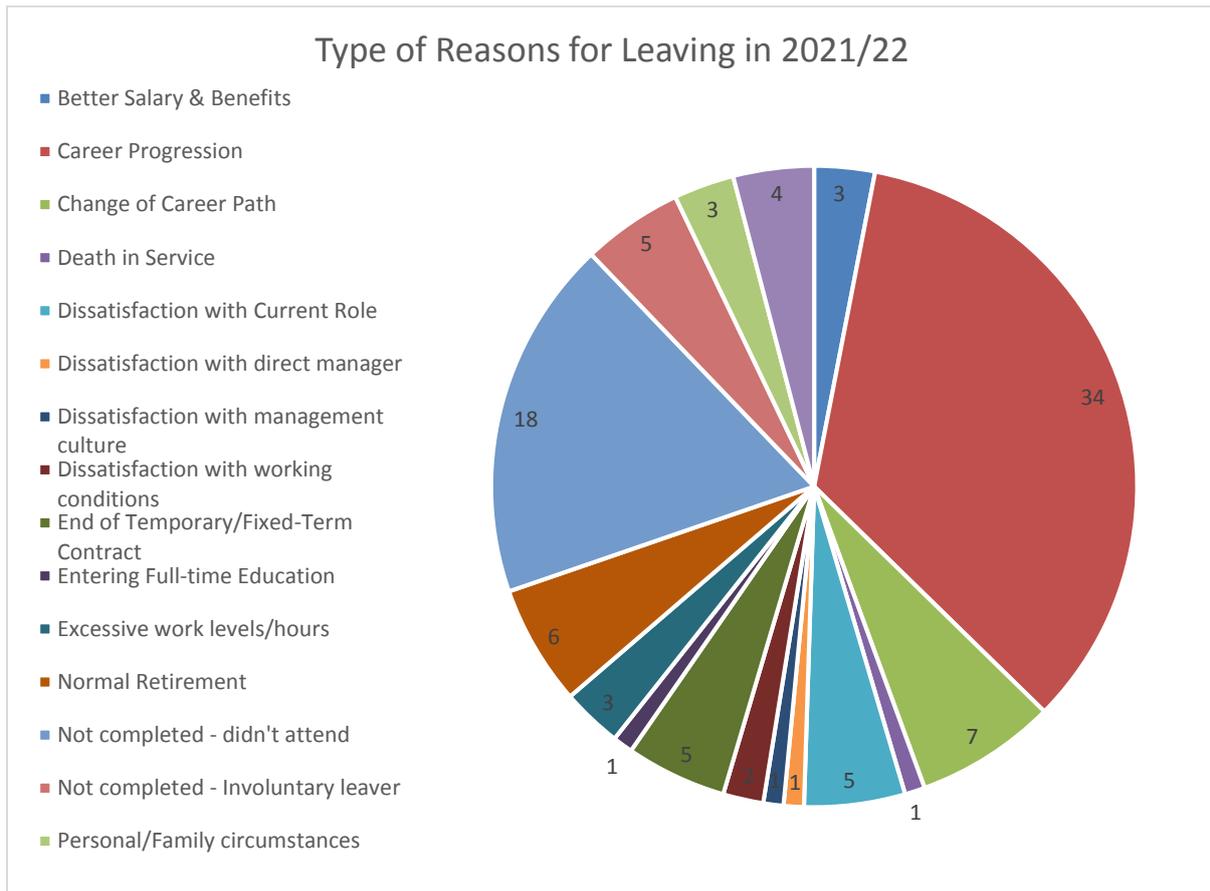
5.5 As a result of the above our overarching long term focus is simplified as follows: Getting the right people, with the right skills, in the right roles, performing at the right level at the right time.

Contact for more Information: Matthew Page, Corporate Manager for People, Governance and Waste (MPage@middevon.gov.uk), James Hamblin, Operations Manager Human Resources (JHamblin@middevon.gov.uk)

Circulation of the Report: The Cabinet Member has seen and approved the report. Cllr Clive Eginton Deputy Leader and Cabinet Member for the Working Environment and Support Services

List of Background Papers: Previous Establishment Reports taken to both Scrutiny and Cabinet in 2020, 2021 and 2022

Appendix 1



Type of Reasons for Leaving 2021/22	
Better Salary & Benefits	3
Career Progression	34
Change of Career Path	7
Death in Service	1
Dissatisfaction with Current Role	5
Dissatisfaction with direct manager	1
Dissatisfaction with management culture	1
Dissatisfaction with working conditions	2
End of Temporary/Fixed-Term Contract	5
Entering Full-time Education	1
Excessive work levels/hours	3
Normal Retirement	6
Not completed - didn't attend	18
Not completed - Involuntary leaver	5
Personal/Family circumstances	3
Travel	4

Appendix 2

Quarter 1 to Quarter 3 2022 – Reasons for Leaving

Reason	Total	%
Better salary & benefits	1	1.19
Career Progression	19	22.62
Change of Career Path	2	2.38
Dissatisfaction with current role	2	2.38
Dissatisfaction with management culture	1	1.19
Dissatisfaction with working conditions	2	2.38
End of Temporary/Fixed Term contract	1	1.19
Excessive work levels/hours	2	2.38
Normal Retirement	3	3.57
Not completed - didn't attend	37	44.05
Not completed - didn't return from sick	1	1.19
Not completed - involuntary leaver	5	5.95
Other.	2	2.38
Personal/Family circumstances	6	7.14
Grand Total	84	100