

Report for: Scrutiny Committee

Date of Meeting:	14 August 2023
Subject:	Establishment Report
Cabinet Member:	Cllr Jane Lock, Deputy Leader & Cabinet Member for Working Environment
Responsible Officer(s):	Matthew Page, Corporate Manager for People, Governance and Waste and James Hamblin, Operations Manager - Human Resources
Exempt:	N/A
Wards Affected:	All
Enclosures:	N/A

Section 1 – Summary and Recommendation(s)

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 report sits within the current budget and policy framework.

The committee is asked to note the information below.

Recommendation(s):

1. The committee is asked to note the information below.

Section 2 – Report

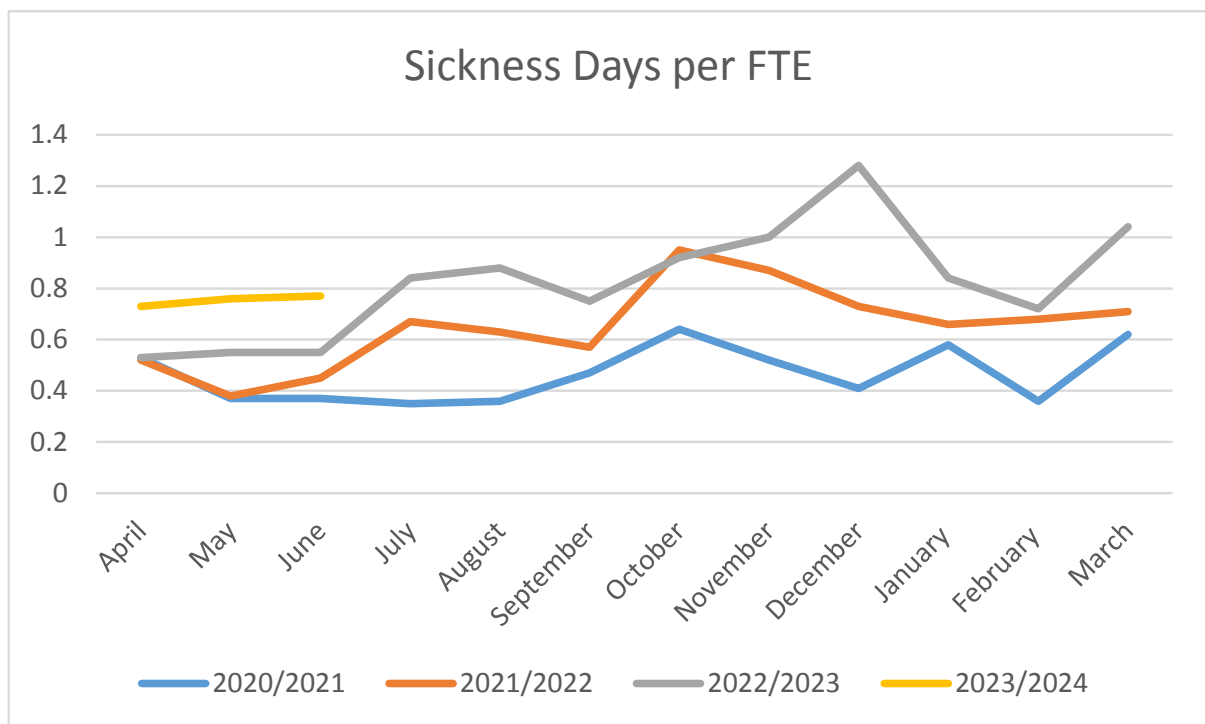
1.0 Introduction/Background

1.1 The purpose of this report is to provide an update on the performance of our workforce.

- 1.2 These items include updates on the key Establishment indicators of sickness, agency expenditure and turnover.
- 1.3 Focus on data/analysis continues to be at the forefront of our mind as we share and embed this across service areas through initiatives such as the quarterly performance review report and meeting. Additionally monthly updates are provided to the Corporate Management Team and Leadership team on workforce data.

2.0 Sickness Absence, Agency Expenditure and Establishment

2.1 For 2022/2023 the Council had an average of 9.9 sickness days per full time equivalent (FTE). This compared to 7.82 days per FTE in 2021/2022, 5.58 days per FTE in 2020/2021 and 8.10 days per FTE in 2019/2020. Graph 1 outlines sickness absence since 2020/2021 and includes the first quarter of 2023/2024 which is discussed further in 2.4. Our current policy, expects employees to not exceed 6 days absence in a rolling 12 month period. It should be noted that there will be a difference between FTE and per employee statistics. Lower sickness absence levels during the ‘pandemic years’ will reflect both the furlough scheme in place at the time and employees being able to work from home.

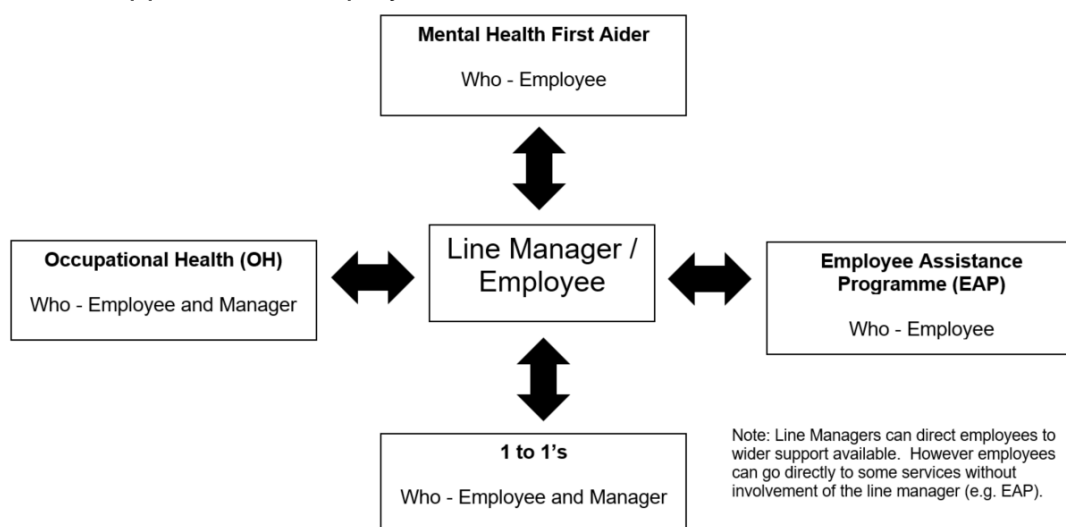


Graph 1. Sickness 2020/2021 – 2023/2024

2.2 An updated policy on managing sickness absence has been reviewed and agreed with the Union as part of our quarterly Joint Negotiation and Consultation Committee (JNCC) which last took place in June 2023. It should be noted that absence levels faced at the Council track closely with national absence trends. Recent data shared by the Office of National

Statistics shows that in 2022 the percentage of working hours lost because of sickness rose to its highest rate since 2004 [Sickness absence in the UK labour market - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/peopleinwork/sicknessabsence/bulletins/sicknessabsenceintheuklabourmarket/2022-07-27). Work is underway to form closer relationships with other district authorities in Devon to share learning regarding sickness absence management.

- 2.3 In-house management training focused specifically on managing sickness absence has been rolled out in June 2022. Following the success of in house training on ‘Managing Difficult Conversations’, ‘Managing Poor Performance’ and ‘Investigations, Disciplinarys and Grievances’, this latest addition to the suite of management training now available at the Council is timed to work alongside the new policy and to enhance knowledge and confidence within our managerial cohort. An underlying theme of all training provided in house is to encourage early intervention by managers.
- 2.4 In the first quarter of this financial year we recorded 2.26 days sickness absence per FTE. Acknowledging this, projections would suggest we end 2023/2024 with approximately 9.04 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. However as we move out of the pandemic, it is still unclear, particularly acknowledging wider national statistics on sickness absence, where sickness will move over the coming years.
- 2.5 Wellbeing and supportive measures for employees had been highlighted throughout 2022, as we look to encourage employees to take proactive action. A heavily discounted Leisure membership has been rolled out to employees at the Council (circa 50% of the public fees). A review of our Wellbeing Ambassador initiative has taken place, with greater clarity and sign posting to our mental health first aiders required. Whilst this will continue to be under review, our model (Graph 2) ensures multiple avenues of support for an employee at the Council.



Graph 2. Wellbeing Support at the Council

- 2.6 As we move into Autumn and Winter it will be important to reflect on the low take up of flu vaccination vouchers for under 50's last year. Regular advertisement of the scheme will continue however work is underway to understand if the Council can bring a provider to our sites to remove a further barrier for some employees in getting the vaccination.
- 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, a further all staff briefing took place in April 2023. The next all staff survey is scheduled for September 2023.
- 2.8 In 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' was published in January 2023. This highlighted the existing benefits employees at the Council can already access and is used as part of our recruitment literature. Additionally an ongoing review of our existing benefits remains in place as we seek to add benefits that both help retain employees and attract talent to our Council. An example of this can be seen in the improved long service award format.
- 2.9 The last 12 months has seen a change in our agency make up as services look to recruit employees directly rather than rely on agency workers. This is against a backdrop of still rising agency costs as nationally we see high levels of employment against a backdrop of low unemployment rates, particularly highlighted in the South West. [Labour market in the regions of the UK - Office for National Statistics](#)
- 2.10 During 2022/23 the Council spent £1,064,794.57 on agency workers. Table 1 outlines agency spend since 2019. In the first quarter of the new financial year, our agency spend totals £196,477.82. This is approximately a 12% year on year (YOY) reduction and runs in parallel with an increase we have seen in employed FTE which stood at 442.30 at the end of June 2023.
- 2.11 An updated Vacancy Approval Form and Workforce Review Group was rolled out in December 2022. This results in all vacancies being reviewed for business need prior to being advertised. To date a total of £150,000 has been saved through this vacancy management process across the Council.

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	£1,064,794.57	+25.58%

Table 1. Agency Spend 2019/2020 – 2022/2023

- 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 payment made to employees following the completion of Pay Award negotiations that was confirmed in November 2022. The 2023/2024 Pay Award has been rejected by the Unions so far as the Unions now move to balloting on strike action. This comes against a backdrop of increased industrial action across sectors in the UK and ongoing negotiations highlighted within the media. It is unclear at this stage, when an agreement will be reached.
- 2.13 The YOY increase between 2021/2022 and 2022/2023 in 'Total Taxable Gross Pay' outlined in Table 2 will reflect the increased FTE, the year's pay award and the yearly incremental increase. It should be noted that the overall yearly payroll budget includes an aspect of agency staffing costs which can be used to cover hard to recruit areas.
- 2.14 There are continued efforts to strengthen the calibre of candidate that applies to work at the Council. We will continue to utilise social media and other online platforms to advertise roles. Additionally we have looked to benefit from 'high foot fall' areas within the Council such as our Leisure sites to advertise roles and the quarterly recruitment fair held in the Pannier Market. Recruitment and Selection training will be rolled out in 2023.

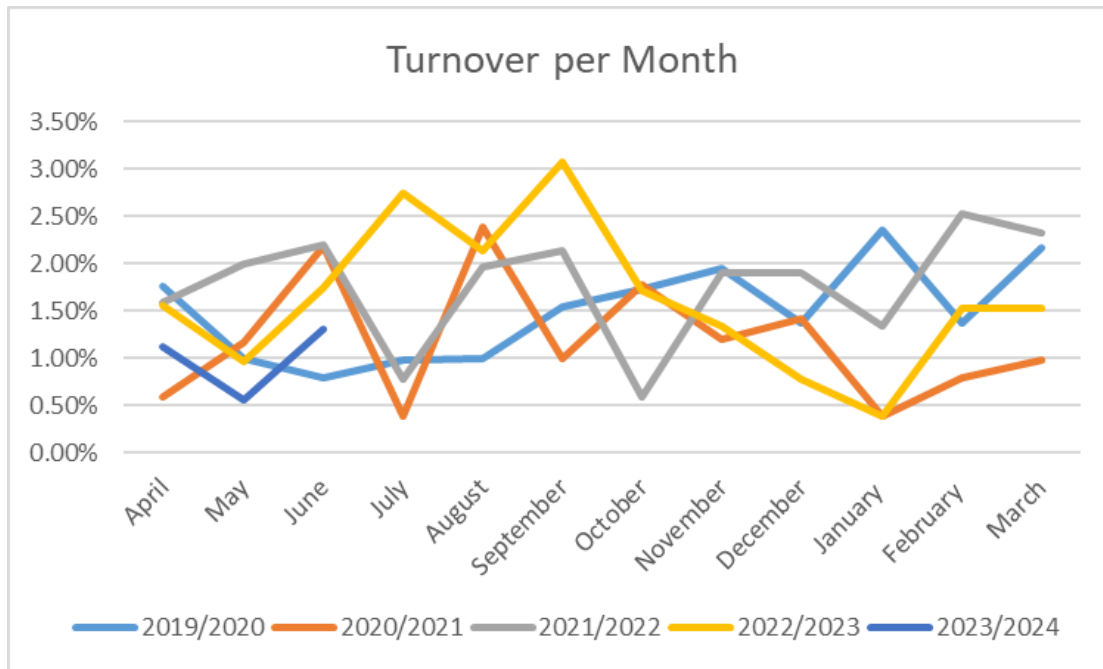
	2019/2020	2020/21	2021/22	2022/23
Total number of employees /workers paid	718	697	728	765
Establishment FTE (Average)	422.11	422.79	426.43	430.44
Total Taxable Gross Pay	£11,170,336.78	£11,515,324.63	£12,197,334.88	£13,168,855.70
Employers NI	£1,024,710.32	£1,038,135.28	£1,126,244.53	£1,277,182.95
Employers Pension	£1,595,839.06	£1,832,713.73	£1,938,973.16	£2,093,547.57

Table 2. Establishment 2019/2020 – 2022/2023

3.0 Turnover

- 3.1 Turnover for 2022/2023 stood at 19.49%. This compares to a turnover of 2021/22 in 21.25%, 14.23% in 2020/21 and 17.98% in 2019/20. So far in the new financial year, employee turnover is down YOY as seen in Graph 3. Nationally turnover varies from sector to sector, however the rates we are currently seeing are not uncommon within local government, particularly when we acknowledge specific services which we have in house that can suffer with higher than average turnover rates (e.g. Leisure and Street Scene).

- 3.2 Reviewing our existing workforce's length of service, we have 9.6% of our FTE with 25 years or more service. This equates to 48 people across the Council.
- 3.3 A new exit interview was launched in February 2023, with a focus on collating data in a more efficient and effective way. The new exit interview allows for greater learning from those that are departing the Council and this, in turn, can help formulate more informed decision making and action planning.



Graph 3. Turnover 2019/2020 – 2023/2024

- 3.4 Acknowledging this change in system, we have seen a mixture of both career progression and retirement as key reasons for leaving the Council. It is understood that for some employees, by the very nature of being a district authority, further development (whether this is developing specific specialised knowledge or progressing into more senior roles) can be limited. That puts further importance on ensuring we obtain the most from employees, maximising their value added, whilst they are with the Council.
- 3.5 Mid Devon, like other local authorities, has faced increasing challenges over turnover due to a number of different external factors. As a result we have looked to diversify our strategy of attraction and retention through the use of schemes such as market supplements. Wider workforce challenges including the lack of trained skilled labour in the Mid Devon area and a reduction in European workers has seen schemes such as 'growing our own talent' and hybrid working included in our strategy. 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.

- 3.6 Apprenticeships across services support the 'grow your own talent' initiative at the Council with June seeing a total of 24 apprentices (both 'apprentices' and those on 'upskilling' apprenticeships) employed by the Council. The Council supported 13 students for work experience across multiple services in July 2023 as we continue to work closely with local educational providers. 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. The Council has also been an early adopter of T Level placements, with success of these within our ICT department.
- 3.7 January 2023 saw the launch of the latest Appraisal process. Staggering our approach to allow for objectives to filter down through the organisation, the timescale has been extended to factor in the local elections. We will continue to monitor our appraisal process, particularly as some authorities have moved away from this traditional format and adopted an approach which sees regular 121's take place with objective setting still a focal point.

4.0 Conclusion and Recommendations

- 4.1 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.
- 4.2 It is vital that we continue to review our establishment and budget, acknowledging the gap between our employed workforce and what is budgeted for. We consistently average 40+FTE vacant from our budget each month. We acknowledge some of these vacancies will be filled by temporary workers. Continued efforts to monitor and challenge this could result in further savings for the Council.
- 4.3 Continued efforts to keep business continuity plans under regular review are essential when we acknowledge the challenges brought to service delivery through sickness absence rates. The roll out of training and a new policy aims to address sickness absence where we can. In light of current of high sickness absence for this time of year and other potential actions (e.g. strike action) we have identified a corporate risk moving forward.
- 4.4 Learning from the previous all staff survey will be dovetailed into the next survey scheduled for September 2023. We remain committed to communicating with employees to keep them updated with business developments and changes and receive positive feedback from the all staff briefings.
- 4.5 As a result of the above our overarching long term focus remains as: Getting the right people, with the right skills, in the right roles, performing at the right level at the right time.

Financial Implications

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

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.

Impact on Climate Change

No climate change issues are highlighted in this report.

Equalities 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.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 01 Aug 2023

Statutory Officer: Maria de Leiburne

Agreed on behalf of the Monitoring Officer

Date: 01 Aug 2023

Chief Officer: Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 01 Aug 2023

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 01 Aug 2023

Cabinet member notified: (yes)

Section 4 - Contact Details and Background Papers

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

Background papers: Previous Establishment Reports taken to both Scrutiny