

**Report for: The Cabinet**

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Date of Meeting:	6 February 2024
<b>Subject:</b>	<b>Establishment Report</b>
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:	A full and updated structure chart will be sent around to all members once the current consultation on CMT structure has been completed.

**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.

**Recommendation(s):**

1. The Cabinet 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. Additional monthly updates are provided to the Corporate Management Team and Leadership Team on workforce data. Where possible data and the sharing of this is being automated.

## 2.0 Sickness Absence, Agency Expenditure and Establishment

2.1 For 2022/23 the Council had an average of 9.9 sickness days per full time equivalent (FTE). This compared to 7.82 days per FTE in 2021/22, 5.58 days per FTE in 2020/21 and 8.10 days per FTE in 2019/20. Figure 1 outlines sickness absence since 2020/21 and includes the first three quarters of 2023/24 which is discussed further in 2.3. 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.

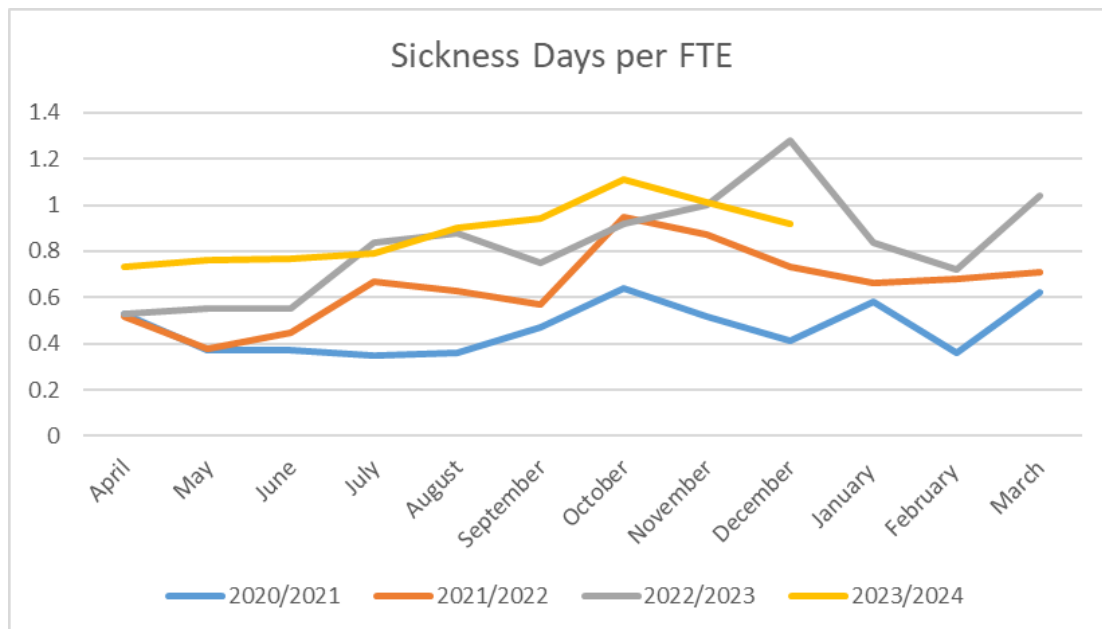


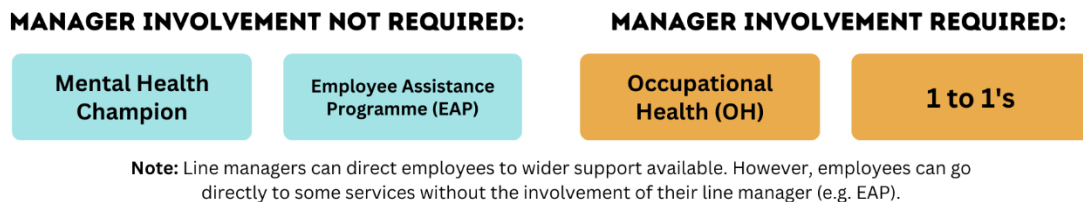
Figure 1. Sickness 2020/2021 – 2023/2024

2.2 Sickness absence and the impacts from the absence remains an ongoing challenge for the Council. Last year saw the launch of the updated sickness absence policy and in house training was rolled out across the organisation. It should be noted that absence levels faced by the Council track closely with national absence trends. Work continues on forming closer relationships with other district authorities in Devon to share learning regarding sickness absence management.

2.3 In the first three quarters of this financial year we recorded 7.93 days sickness absence per FTE. Acknowledging this, projections would suggest we end 2023/24 with approximately 10.57 days lost per FTE. It should be noted that

the last quarter of the year typically sees the highest levels of sickness absence.

- 2.4 One challenge that has been recognised coming out of the pandemic is our inability to accurately classify sickness absence with the phasing out of free COVID-19 tests. Alongside the challenge of accurately classifying sickness, challenges around presentism are recognised particularly with those employees that can work in a hybrid way. To tackle this, continued communication regarding expectations around absence will remain.
- 2.5 Analysing the causes of sickness absence, December 2023 saw the relaunch of our Mental Health Champions at the Council, alongside reiteration of the support available to all employees. This works alongside initiatives such as the heavily discounted Leisure membership to provide greater support for our employees' health and wellbeing. Figure 2 outlines the updated model that has been distributed to employees.



*Figure 2. Wellbeing Support at the Council*

- 2.6 Autumn 2023 saw increased communication regarding flu vaccination vouchers that were made available free for those under 50 (complementing the national scheme where over 50s receive this at no cost). Reflecting on the initial low uptake, work with a high street provider saw the roll out of two dedicated days for Council employees to attend their Tiverton branch for vaccination. Lessons learnt from this will be rolled into any flu vaccination campaigns for 2024.
- 2.7 In October 2023 the All Staff Survey concluded. This year saw greater efforts made to include those staff without a Council email address. Whilst the completion rate fell within the expected rate of return outlined by our survey provider, it was noted that we saw significantly lower levels of engagement for those without a Council email address. Survey results have been shared with our recognised Union, our Impact Consultative Group and individual services with a draft action plan being shared with the Council's Leadership Team at the end of January 2024. Initial areas of focus include communication between departments, communication of the corporate plan and wider engagement.
- 2.8 The Council continues to keep the benefits offered to staff under review. The updated 'Benefits Overview' continues to be available to existing employees and those looking at the Council as a potential employer. In December 2023

a special recognition session facilitated by our Leadership Team saw those that completed 25 years of service being met with and thanked in person for their service. This is being replicated quarterly in order to mark and celebrate those who achieve 25 years' service (circa 10% of the workforce).

- 2.9 During 2022/23 the Council spent £1,064,794.57 on agency workers. Table 1 outlines agency spend since 2019. In the first three quarters of the new financial year, our agency spend totals £496,714.07. This is approximately a 37% year on year (YOY) reduction and runs in parallel with an increase we have seen in employed FTE which stood at 445.27 at the end of December 2023. Additionally, it should be noted that there is a shift in the recruitment market to workers seeking permanent employment, compared to the recent years where workers have achieved higher rates of pay from employment relationships with less job security (e.g. agency)

<b>Year</b>	<b>Agency Spend</b>	<b>YOY Change (+/-)</b>
2019/20	£534,378.49	
2020/21	£576,368.28	+7.56%
2021/22	£823,288.55	+35.28%
2022/23	£1,064,794.57	+25.58%

Table 1. Agency Spend 2019/20 – 2022/23

- 2.10 As we enter the new budget and financial year, the importance of the Workforce Review Group and regular review of vacant posts remains as valid as ever. This is so we can do our very best to try and ensure that our establishment is as best aligned to our strategic and operational priorities as possible.
- 2.11 Table 2 compares the Establishment for the Council and associated costs from 2019/20 to 2022/23. The 2023/24 Pay Award was awarded in November 2023 following months of negotiations between Union and Employer representatives. Work is underway on the Pay Award for 2024/25 as we continue to see strike action across sectors as highlighted within the media. It is unclear at this stage when an agreement will be reached on the 2024/25 Pay Award (especially with a general election to be held before January 2025).

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
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
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Table 2. Establishment 2019/20 – 2022/23

2.12 The YOY increase between 2021/22 and 2022/23 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.

2.13 As we continue efforts to strengthen the calibre of candidates that apply for work at the Council, 2024 will see the roll out of Recruitment and Selection training. The Council will continue to use ‘high foot fall’ areas such as our Leisure sites to advertise roles and the regular recruitment fair held in the Pannier Market. We will also continue to utilise online platforms including LinkedIn, X (formally Twitter) and other forms of social media.

2.14 Training provided will reflect the needs of services. A recent survey has been conducted with Council service leads to understand content which is in demand. Results from the survey will contribute to the development of a new corporate training catalogue available to all employees. These sessions will be delivered virtually and in person and will have broad subject matter to ensure they are applicable to as many employees as possible.

### 3.0 Turnover

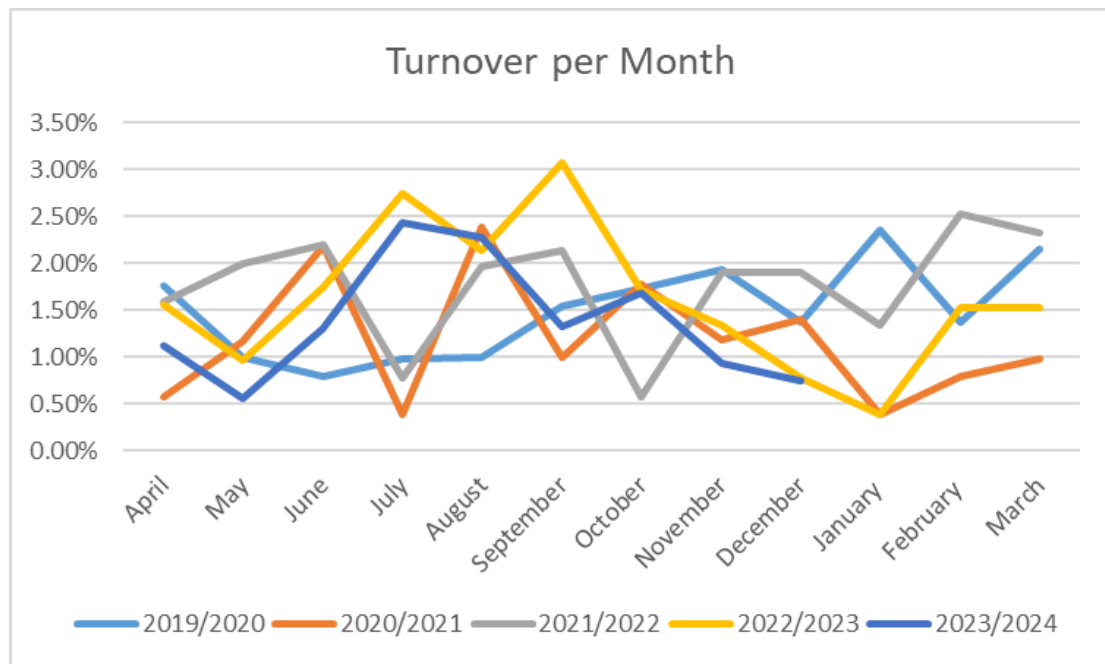
3.1 Turnover for 2022/23 was 19.49%. This compares to a turnover of 2021/22 in 21.25%, 14.23% in 2020/21 and 17.98% in 2019/20. So far in 2023/24, employee turnover is down YOY, Figure 3. Nationally turnover varies from sector to sector, however the rates we are currently seeing are not uncommon within 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 In the first three quarters of 2023/24, staff turnover was 12.37%, down 3.7% YOY. Acknowledging this, projections would suggest we end 2023/24 with approximately 16.49% turnover rate.

3.3 Reflecting upon the exit interview data, ‘Personal/Family Circumstances’ leads as the main reason for leaving, closely followed by ‘Retirement’, ‘Better Salary and Benefits’ and ‘Dissatisfaction with Current Role’. Where possible, insight is shared on the reason for leaving with service leads during the Quarterly Performance Review Meetings to understand areas of improvement that lie within our gift to address.

3.4 Apprenticeships across services support the ‘grow your own talent’ initiative at the Council as we continue to have employed apprentices and upskilling

apprentices. Later this year will see work experience students join the Council's services again. 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 seen within our ICT department.

Figure 3. Turnover 2019/20 – 2023/24

3.5 Later this year will see the launch of the appraisal process. We will continue to monitor our appraisal process, particularly as some authorities have moved away from this traditional yearly format and adopted an approach which sees regular 121's take place with objective setting still a focal point. A core theme of the appraisal process for this year will be to ensure Council objectives are cascaded down through the organisation. All efforts must be made to improve the appraisal return rate and streamline the process.

3.6 Another important component of the appraisal process will be capturing both individual but also corporate training needs which are vital to supporting the forthcoming priorities of the new administration and subsequent corporate plan.

#### 4.0 Conclusion and Recommendations

4.1 There are a number of priorities which the organisation wishes to focus on in terms of our Establishment performance.

4.2 It is imperative that we continue to review our establishment and staffing budget. This will be an ongoing exercise and should not be seen as a 'one off'

task. The 2023/24 year has seen on average 90% of our budgeted posts held by employed staff with the remaining either being filled with agency staff, contractors or the post becoming an ongoing unfilled vacancy.

- 4.3 Sickness absence needs to continue to be a priority, with the aim of reducing this critical to further improve performance and lower agency costs. We have seen positive outcomes this year in terms of a reduction in turnover and agency spend. However all three core metrics must continue to be at the forefront of our minds, particularly when looking at initiatives to address these.
- 4.4 Learning from the all staff survey should be implemented within an action plan and this must be effectively communicated with staff. It presents a unique opportunity for the Council to clearly show to employees areas of development for the coming 12-24 month period. Alongside clearly communicating the plan, emphasis should be placed on communicating to staff how we are tracking against key deliverables and actions from the plan ahead of the next all staff survey in 2025.
- 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. However, one of the areas of focus for the coming year includes working with union and employee representative groups to collate additional data specifically around equality, diversity and inclusion, in order that we can use this to compare our workforce makeup to that of our local community – establishing where we might have under-representation and working to understand the reasons for this.

## **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:**

Agreed by or on behalf of the Section 151

**Date:**

### **Statutory Officer: Maria De Leburne**

Agreed on behalf of the Monitoring Officer

**Date:** 23 January 2024

### **Chief Officer: Stephen Walford**

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

**Date:** 23 January 2024

### **Performance and risk: Steve Carr**

Agreed on behalf of the Corporate Performance & Improvement Manager

**Date:** 22/01/2023

**Cabinet member notified:** (yes)

**Report: Exclusion of the press and public from this item of business on the published agenda on the grounds that it involves the likely disclosure of exempt information.** (Yes/No)

**Appendix: Exclusion of the press and public from this item of business on the published agenda on the grounds that it involves the likely disclosure of exempt information.** (Yes/No)

## **Section 4 - Contact Details and Background Papers**

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

**Background papers:** Previous Establishment Reports taken to both Scrutiny