REPORT TO:	Employment & Staffing Committee	16th June 2020
LEAD CABINET MEMBER:	Cllr John Williams	
LEAD OFFICER:	Susan Gardner-Craig	

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RETENTION AND TURNOVER REPORT: QUARTER 4 (Q4) 1st January– 31st March 2020

Executive Summary

1. This report provides an analysis of the turnover of staff between 1st January – 31st March 2020. The reason for this report and the regular reporting on an organisation's turnover is to highlight trends, inform recruitment decisions and enable SCDC to develop a resource strategy and/or to drive change in a team or area of the business and to ensure the achievement of the organisation's goals.

Key Decision

2. No

Recommendations

3. It is recommended that Employment and Staffing Committee note the report and actions taken following exit interviews.

4. It is recommended that we improve exit interview process by: introducing a new, online form; the online form to be completed in the first instance, and then introducing the option of HR holding a meeting with the leaver if required/requested.

5. It is recommended that we introduce new Reporting measures from Quarter 1, in addition to the current PI, used to measure the number of leavers. It is recommended we use the Stability Index.

Reasons for Recommendations

6. This information report forms part of the Employment and Staffing Committee framework for monitoring the Council's staffing resource.

7. Currently, this Retention and Turnover Report gathers data from completed Exit Interviews. However, we are only receiving 50-60% over recent Quarters. We can only address issues when they are raised and brought to managers or HR attention.

8. Current guidance from the CIPD (Chartered Institute of Professional Development) states "the interviewer should not be a manager who has responsibility for the individual or who will be involved in future reference writing". By taking this process away from the Line Manager, it hopefully allows the employee to be open about any issues, more so than if they were discussing it with a manager

9. By using Microsoft Forms we can improve the presentation and analysis of data for example displaying in graphs. This will enable HR to provide the organisation with more information in relation to trends and supplement the information that currently gather from   exit interviews.

10. The content of the Exit Interview form has been reviewed and it is proposed to make these changes effective immediately.

11. The Stability Index indicates the retention rate of experienced employees.

Details

12. The Performance Indicator (PI) value for Q4 (1st January – 31st March 2020) is 2.97% (based on a headcount of 573 at 1st January 2020). The quarterly target for voluntary leavers* is 3.25%[1].

13. The rate of all leavers (taking into account both voluntary and involuntary leavers) is 3.67% for Q4. (Including redundancies and end of fixed term contracts.)

14. The Stability Index indicates the retention rate of experienced employees. This is calculated as:

    Number of staff with service of one year or more   x 100.
    Total number of staff in post one year ago

15. Information is recorded from Leavers Forms forwarded to HR/Payroll for processing. Exit Interviews are compulsory for all leavers (unless inappropriate – for example in the case of dismissal due to disciplinary or capability issues).

16. For those leaving in this period, the HR team received 10 exit interview forms (out of the 17 voluntary leavers), which is a return rate of 58.8%.

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[1] Voluntary leavers do not include redundancies, ill health retirements, and ending of fixed term contracts or internal transfers. Voluntary leavers do include individuals who are leaving to access their pension (retirees).

17. There was a slight increase in the number of exit interview forms received from last quarter: 50% in Q3, 44.4% in Q2 and 61.1% in Q1. However, this quarter's figures are still low.

18. The exit interviews enable us to gain feedback from staff and establish why our employees have chosen to leave the organisation. In addition, exit interviews help to identify trends and areas of concern on which the Council can make improvements and improve the employee experience and level of engagement. Managers are required to carry out exit interviews and completion is encouraged by HR. The employee can request to have their exit interview with a member of the HR team. The breakdown of reasons for leaving can be found at Appendix A.   Appendix A is compiled from information contained in Leavers' Forms sent by Managers to HR.

19. There was an increase in the number of voluntary leavers in this quarter. The number of involuntary leavers was the same compared to last quarter.

20. The following information was gathered from the exit interviews during which employees raised issues pertaining to and, any action taken by the manager/HR. The Exit Interview form has been revised to capture more information on staff feedback and manager actions to be taken.

Issue raised	Action taken by manager/HR
Career Development & opportunities	Continue to advertise new job roles and opportunities for secondments; face-to-face training courses to resume when appropriate, some on-line training being delivered.
Risk of market supplement being removed each year is a concern for staff (GCSPS)	MFS is not a contractual right, and has to be approved each time
Package doesn't recognise the City benefits GCSPS staff used to enjoy. Courses are all about SCDC and don't reflect City-based operations for GCSPS staff. City-based staff feel forgotten about.	Issues raised already; training was planned for the whole department, but won't be like-for-like as was received whilst staff were at City
Poor salary	Roles are evaluated according to Job Evaluation Framework, and then paid accordingly.

21. A section is included on the Exit Interview form for managers to provide detail on any actions they have taken as a result of the employee's feedback. The manager can also add comments in cases where the views of the manager may not be the same as the individual'. This will no longer be applicable, should we introduce the new exit interview online form, as per this report's recommendations. However, HR can still log issues raised as part of the new

exit interview process, and record action taken/next steps, e.g. if it has been necessary to raise issues with the line manager.

Recruitment

22. The number of staff joining the Council on a permanent or fixed term contract in the same quarter was 20.

23. 16 members of staff changed positions internally.

24. Total number of staff who started new roles within the Council was 26.

25. One (1) apprentice started within this quarter, however we have advertised 3 apprentice opportunities, two are on hold due to the Covid-19 situation. We are still speaking with recruiting managers about opportunities for new posts or opportunities within their team to start an apprenticeship. We are advertising Level 3, 5 6 and 7 Management Apprenticeships in Q2, to start in the second half of the year.

26. **28** members of staff were acting up in the period
   8 member of staff were on secondment
   24 members of staff are in receipt of a market supplement.

27. There were nil work experience students within this period.

28. 64 roles were advertised in this period. 25 advertised in January 17 in February and 22 in March.

29. 47 roles were appointed to, giving a vacancy fill rate of 73.4%

30. There were 6 roles that will need to be re-advertised; this was because there were no suitable candidates for these particular posts. There are also 11 roles where recruitment has been put on hold due to Covid-19. Candidates have been advised that the recruitment is on hold and that they will be contacted once usual practices are able to resume and we are in a position to recruit. Some of these vacancies may need to be re-advertised at that stage.

31. The Recruitment Coordinator has been busy this quarter and there continues to be high volume of recruitment forecast for April - June. The Recruitment Coordinator is now preparing for future recruitment / advertising in the next quarter and looking at new ways of working with the managers to ensure a smooth and successful process.

32. Golden Hellos, Market Supplements and an employee referral scheme are all in use to improve both the quality and number of candidate applications.

33. During this quarter lunch-time health and well-being sessions were held which were well attended by staff. In addition, coffee mornings have continued on a monthly basis which have also been well attended.

Conclusion

34.	The turnover rate is under the quarter target. Lockdown began towards the end of the quarter. The uncertainties around the economic climate and health and well-being may have had an impact on the lower turnover rate.

	When looking at the reasons for leaving, the reasons were split between dissatisfaction with the GCSPS outcome & restructures, improved pay and relocating. The remaining voluntary leaving reasons included retirement. Out of the 17 voluntary leavers, 2 moved to the private sector and 7 within the public sector.

35.	The number of staff who have internally transferred to new roles and are acting up within the Council is positive and shows that staff are keen to take on additional responsibilities and develop their skills and remain at the Council. Further analysis and review of information recorded as part of the performance review cycle will enable us to enhance and improve on this.

36.	The Council has demonstrated it looks for new avenues to continue to recruit the best talent available by looking at alternative digital recruitment solutions and seeking to look at recruiting Apprentices. The Council has also streamlined its recruitment application process and offered incentives for applications as referred to previously.

37.	The Council continues to seek feedback into all aspects of the employee life cycle to make improvements to continue to support the retention of talent.

38.	The Council, where appropriate, offers support to staff through flexible working policies and other options such as flexible retirement. For staff who experience health issues or have a disability, the Council has an Occupational Health service which supports staff to remain working at SCDC wherever possible.

Options

39.	That the Employment and Staffing Committee either notes the report as presented or note it with the addition of appropriate comments.

Implications

40.	In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:

Financial

41.   There are financial implications in terms of the costs of advertising and recruitment of replacement staff. There are also financial implications in respect of using temporary staff to cover work if standards of service are to be maintained.

Staffing

42.   A certain level of turnover is healthy for an organisation as it enables new ideas and skills to be brought into the organisation. There will always be a natural number of leavers and this creates opportunities for reviewing job purpose and the skills and attributes that the organisation needs for the future. However, high turnover and the loss of important skills, knowledge and capacity can have a detrimental impact on staff morale and the Council's ability to deliver its business plan objectives.

Risks/Opportunities

43.   The council will seek to mitigate and eliminate risks associated with employment relations matters for example, change management, case management and involuntary leavers.

44.   Current identified risks in relation to recruitment challenges are included on the risk register. The council continually reviews measures to mitigate this risk.

45.   Proposed changes to the Government Pension Scheme (LGPS) and caps on Public Sector exit payments mean we will need to be mindful when dealing with succession planning and change management.

Equality and Diversity

46.   At present limited monitoring is done on the diversity of voluntary leavers.

Appendix A

Table for Quarters 1 to 4 2019-20, (1 April 2019 – 31 March 2020)

Reason for leaving	Q1	Q2	Q3	Q4	YTD
Voluntary leavers					
Change of area	3	1	2	2	8
Improvement in salary	1	1	3	1	6
Career progression	3	4	3	4	14
Career break		1			1
Non return from maternity/adoption/parental leave					
Voluntary leaver – no reason specified	7	9	1	7	24
Resignation with early access to Pension (Pre 65, but post 60)	3				3
Resignation with access to Pension (Post 65)	1	1	1	1	4
Flexible Access to Pension (left w. pension access, but returned on reduced hours/post)					
Other – personal reasons		1	1		2
Other – dissatisfaction			1	2	3
Total Voluntary Leavers	**18**	**18**	**12**	**17**	**65**
Involuntary leavers					
Redundancy				2	2
Dismissal due to ill health/capability		1		1	2
Dismissal due to conduct		1	1		2
End of fixed term contract	1		2		3
Ill Health Retirement		1	1	1	3
Probation period failure					
TUPE transfer					
Death in service		1			1
Total Involuntary	**1**	**4**	**4**	**4**	**13**
Grand Total	**19**	**22**	**16**	**21**	**78**

Table showing Leavers 2019-2020; breakdown by Service Area

Service Area	Q1	Q2	Q3	Q4
Health & Environmental Services	0	1	2	3
GCSWS	4	7	9	5
GCSPS	8	4	3	6
Affordable Homes	4	4	1	4
Revenues & Benefits	1	0	0	1
Finance, Policy and Performance	0	0	0	0
Business & Customer Services	1	0	1	2
Chief Executive's Team	0	0	0	0
HR	0	2	0	0
Democratic Services including Elections	1	0	0	0
Facilities	0	0	0	0
Total	19	18	16	21

Table showing Leavers Q4 2019-2020; breakdown by Service Area as a % of the total workforce

Service Area	Q4	Headcount	% of Leavers
Health & Environmental Services	3	51	5.88
GCSWS	5	158	3.16
GCSPS	6	109	5.50
Affordable Homes	4	120	3.33
Revenues & Benefits	1	50	2.00
Finance, Policy and Performance	0	20	0
Business & Customer Services	2	26	7.69
Chief Executive's Team	0	11	0
HR	0	11	0
Democratic Services including Elections	0	10	0
Facilities	0	7	0

Table showing reasons for leaving (Previous 5 years, and YTD)

Reason for leaving	04/14 – 03/15	04/15 – 03/16	04/16 – 03/17	04/17 – 03/18	04/18 – 03/19	04/19 – 03/20
Voluntary leavers						
Change of area	1	2		2	2	8
Move within public sector	3	8	1	7	4	
Move to private sector	6	6	1	4	9	
Improvement in salary	1	1		1	2	6
Career progression		1		3	9	14
Career break		1			1	1
Voluntary leaver – no reason specified	15	10	38	24	30	24
Resignation to retire pre 65	n/a	n/a	n/a	n/a	n/a	n/a
Women retiring post 60 but pre 65	n/a	n/a	n/a	n/a	n/a	n/a
Retirement pre 60 with Council agreement	n/a	n/a	n/a	n/a	n/a	n/a
Other – personal reasons		3			3	2
Other - dissatisfaction						3
Resignation with early access to pension (pre 65 but over 60)	2	1	1	1	2	3
Resignation with access to pension (over 65)	7	6	6	2	1	4
Flexible access to pension (left w. pension, returned P/T)			1		0	0
Total Voluntary Leavers	**35**	**46**	**48**	**44**	**63**	**65**
Voluntary leavers but not included in PI	n/a	n/a	n/a	n/a	n/a	n/a
Retirement at 65 or post 65 (change in legislation Dec 2006)	n/a	n/a	n/a	n/a	n/a	n/a
Flexible retirement – (left w. pension, returned P/T)	n/a	n/a	n/a	n/a	n/a	n/a
Total Voluntary but not included in PI	**0**	**0**	**0**	**0**	**0**	**0**
Involuntary leavers						
Redundancy	10		2	2	3	2
Dismissal due to ill health	1	3		1	3	2
Dismissal due to conduct	4		2	2	3	2
End of fixed term contract	3	1	4	2	2	3
Ill health retirement	1			1	4	3
Probation period failure					0	
TUPE transfer	2	22			0	
Death in service			3		1	1
Total Involuntary	**21**	**26**	**11**	**8**	**15**	**13**
Grand Total	**56**	**72**	**59**	**52**	**78**	**78**

Report Author:

Donya Taylor – HR Advisor; Telephone: (01954) 712900.