



<b>Report to:</b>	Employment and Staffing Committee 09 June 2022
<b>Lead Cabinet Member:</b>	John Williams
<b>Lead Officer:</b>	Jeff Membery

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## **RETENTION AND TURNOVER REPORT: QUARTER 4 (Q4) 1<sup>st</sup> January 2022 – 31<sup>st</sup> March 2022**

### **Executive Summary**

1. This report provides an analysis of the turnover of staff between 1<sup>st</sup> October 2021 to 31<sup>st</sup> December 2021 and 1<sup>st</sup> January 2022 to 31<sup>st</sup> March 2022. The reason for this report is to highlight trends, inform recruitment decisions and enable SCDC to develop a resource strategy, 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 the Employment and Staffing Committee note this report.

### **Reasons for Recommendations**

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

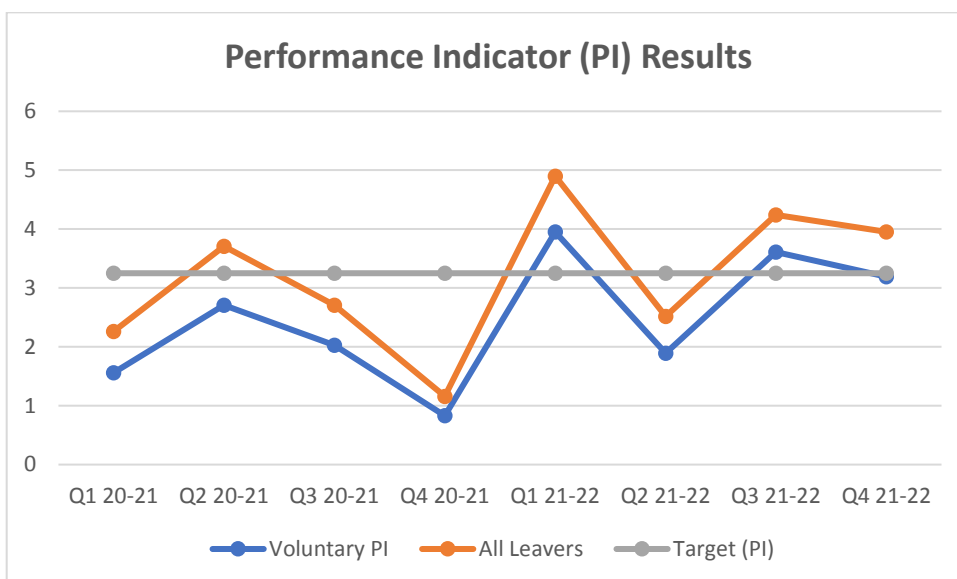
### **Details**

5. The Performance Indicator (PI) value for Q4 1<sup>st</sup> January – 31<sup>st</sup> March 2022 is 3.19% (based on a headcount of 659). In Q3 1<sup>st</sup> October-31<sup>st</sup> December 2021 the PI value was 3.61% (based on a headcount of 637). The quarterly target for voluntary leavers\* is 3.25%<sup>1</sup>.

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<sup>1</sup> 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).

**Chart 1**



6. The rate of all leavers (considering both voluntary and involuntary leavers) is 3.95% for Q4. This equates to a combined total of 26 leavers: 22 voluntary and 4 involuntary leaver. It was 4.40% for Q3. This equates to a combined total of 28 leavers: 24 voluntary and 4 involuntary leavers. Involuntary leavers include dismissals, redundancies, and end of fixed term contracts. See **Chart 2** for the breakdown of Leavers and Turnover by Service Area.

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

$$\frac{\text{Number of staff with service of one year or more}}{\text{Total number of staff in post one year ago}} \times 100.$$

The Stability Index is 81.19%. This means that since last year 18.21% of staff have either started new internal roles or have left their employment with the Council. We will be able to provide further analysis and comparisons as the year progresses. A suggested target for this index is 80%. This implies there are regular progression opportunities, but organisational knowledge is not being lost through excessive turnover.

8. There was a small increase in the number of voluntary leavers in Q4, following on from a very significant increase in Q3. There were no redundancies in either Quarter. **Q4 Reasons for Leaving<sup>2</sup> - see Charts 3 and 4.**

9. Information is recorded from Leavers Forms forwarded to HR/Payroll for processing. To improve completion of Exit Interviews, HR changed the process. From July 2021. HR Advisors now contact the leaver and arrange a virtual Exit Interview. The invite is sent out to each leaver once the leavers paperwork is received. This should enable HR to take prompt action if needed before the

<sup>2</sup> More than one reason can be chosen at the exit interview.

employee leaves. In GCSWS, exit interviews are completed by the dedicated HR Co-ordinator.

10. For those leaving in Q4, we received 20 exit interview forms from 23 leavers; in Q3 we received 25 exit interviews from 28 leavers. Some involuntary leavers completed an exit interview as these are offered to those who's fixed term contract is ending. The return rate was 87% in Q4 compared to Q3 at 89.29%, Quarter 2 at 83.3%, and 44% in Q1. This figure is an increase compared to the average of 43.6% of exit interviews received in 2019-20 and 38.1% received in 2020-21. As Exit Interviews are now conducted by HR, it is expected that this significant increase in completion rates will be sustained.
11. The exit interviews enable us to take immediate action on any issues raised. For example, feedback received on unclear benefits for fixed term workers was quickly reviewed and updated on Insite.
12. The exit interviews enable us to gain feedback from staff and establish why our employees have chosen to leave the organisation. The reason for leaving is compulsory on the online exit interview form and the leavers form. The option to state "voluntary" as the reason for leaving was removed as an option during Q2 2021-22. Where employees have completed exit interviews, we have cross-checked records and used the detail given to help narrow the reason given for leaving. 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. The Exit Interview includes two important feedback questions. The first asks leavers to rate their perceptions of SCDC as an employer against a range of factors. The second asks "Would you consider working for SCDC again?". See **Charts 5 and 6** for a summary of the responses to these questions.
13. We are now able to include information relating to Joiners: see **Chart 7 – Joiners per Service Area**.

## Recruitment

14. Please see **Charts 8, 9 and 10** for Recruitment info. It should be noted that the number of roles advertised nearly doubled – from 53 in Q3 to 103 in Q4.
15. In Q4: 12 posts were re-advertised in this period. 4 were successfully filled and 5 were re-advertised in Q1 and 3 have been put on hold. In Q3: 7 posts were re-advertised in this period. 6 were successfully filled and 1 was re-advertised.
16. We have struggled to fill Apprenticeship roles with a lack of candidates in the market. We hope to fill these roles in Q2 with school leavers. We are working with local organisations (Form the Future and Growth Works) as well as exploring opportunities to support Care Experienced Leavers.
17. We are advertising a Graduate role through the LGA (Local Government Association) National Graduate Development Programme later this year, to start in September 2022.

18. In Q2, Market Factor Supplements were awarded to Project Managers in response to market concerns. With the introduction of iTrent, we are now able to run a more accurate report regarding Market Factor Supplement payments. This figure for Q4/Q3 has remained the same as Q2.
19. Concerns around retention particularly at GCSWS have led to an introduction of a Retention Scheme in Q3. This is targeted at Drivers, who will receive payments of £2400 over a 2 year period, at quarterly intervals. During Quarter three 35 Drivers signed up to the scheme and received payment. 2 signed up in Q4.
20. For Q3 & Q4, the number of temporary workers (agency) in each department was as follows:

Service Area	Q3 (% of total agency workers)	Q4
GCSPS	24 (33.3%)	29 (34.9%)
Transformation	6 (8.3%)	6 (7.2%)
Finance	6 (8.3%)	6 (7.2%)
Housing	1 (1.4%)	1 (1.2%)
SW&E (excl GCSWS)	1 (1.4%)	2 (2.4%)
GCSWS	34 (47.2%)	39 (47.0%)
Economic Development & Investment	0	0

21. Since January 2021 the recruitment team has been working to create a new Casual Worker Bank to support the Council to reduce agency fees. In this Q3, 5 new casual workers started and in Q4, 4 new casual workers started within posts that would normally be filled with an agency worker, reducing our agency spend. We are working to add more workers to the bank to enable a pool of skilled talent that we can call upon.
- 22.1 Golden Hello Payment was made in Q3 with 6 new eligible hires appointed with a Golden Hello with 6 being advertised. In Q4 1 Golden Hello Payment was made. In Q4, 4 roles were appointed to with a Golden Hello. These employees will receive their Golden Hello Payments upon the successful completion of their probationary periods.
23. The Recruitment Coordinator has been busy during both quarters and there continues to be high volume of recruitment forecast for April to June. The Recruitment Coordinator is now preparing for future recruitment and the implementation of the Recruitment module within the new HR System.
24. A new HR induction and onboarding process was implemented during Q2 2021-2 with new employees having remote inductions with a member of the HR team. This includes follow up meetings between 2 & 4 weeks later. Employees have given positive feedback that they are able to speak to a 'face' in HR. Managers are also supported as new employees are helped to settle into their

new roles without having the added stress of sorting out annual leave entitlement, flexitime sheets and processing lots of forms.

25. HR deliver Manager Induction training sessions, currently remotely. This is both for newly promoted managers and new recruits to the Council. The intention is to run these sessions quarterly, and there are further sessions planned for 2021-2022. In Q3 and Q4 4 managers attended an Induction. More are planned for Q1.

26. The Council is currently finalising its' Apprenticeship strategy. We have separated the Apprenticeship data, so that we can identify external, new hire Apprentices and existing staff who are undertaking an Apprenticeship. See **Chart 11** for the detail. Incentive payments were extended by the Government to the end of January 2022; we have a new Cohort of 5 Internal Apprenticeships who started in Q4. We have advertised Apprenticeships in both Quarters, however have found it difficult to recruit. We are exploring opportunities to advertise our roles more widely and looking at options including Traineeships.

## Wider Context

27. The most recent Labour Market Report<sup>3</sup> from the CIPD was published in early 2022. Recruitment difficulties are increasing, as we can see in our data as well as in the Labour Market Report. Almost half employers are reporting hard-to-fill vacancies, particularly when filling low-skilled vacancies. Our fill rate was 81% for Q3. We have introduced new Retention measures in Q3 affecting GCSWS, highlighted in the Report. Other organisations are taking positive action to attract the best candidates raising pay, advertising more jobs as flexible and upskilling existing staff. Almost half of employers (46%) have hard-to-fill vacancies, including 52% in the public sector. Recruitment intentions with employers remain high, in line with pre-pandemic levels.

28. This shows that the challenges we are facing in Recruitment and Retention are mirrored in the wider context. The number of roles we advertised, particularly in Q4 at 103, is very high, and goes some way to explain why the fill rate dropped between Q4 and Q3.

## Equality and Diversity

29. The new iTrent HR system enables reporting on the diversity of all leavers by age, ethnicity, gender, disability and religion. We don't have 2021 Census data to compare this to yet. However, the reporting of Leavers data is a very manual process. This is in contrast to the Joiners breakdown, which is produced as part of the Analytics Package.

## Conclusion

30. The turnover rate has increased significantly since Q2.

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<sup>3</sup> [Labour Market Outlook: Winter 2021](#)

31. The most common reasons for voluntary turnover cited in exit interviews were linked as they included more career progression, higher salary and personal reasons.
32. The number of roles increased significantly from Q3 to Q4 – nearly doubling.
33. The number of staff who internally transferred to new roles was lower than Q2 but still relatively high compared to previous quarters. It was the same amount in Q4 and Q3. This demonstrates that staff are keen to 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.
34. The Council has demonstrated it looks for new avenues to continue to recruit the best talent available by pursuing alternative digital recruitment solutions and recruiting Apprentices. The Council has also streamlined its recruitment application process and offered incentives for applications, including Market Factor Supplements and Golden Hello Payments.
35. The Council continues to seek feedback about all aspects of the employee life cycle to make improvements to continue to support the retention of talent.
36. 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**

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

## **Implications**

38. 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**

39. 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**

40. 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 an 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**

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

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

43. Proposed changes to the Local 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.

## **Alignment with Council Priority Areas**

### **A modern and caring Council**

44. By monitoring Retention and Turnover levels, and making any necessary recommendations, we can ensure that the Council is structured and appropriately resourced to deliver the ambitions of our communities.

## **Appendices**

Appendix A: Q3 and Q4 21-22 Turnover Charts.

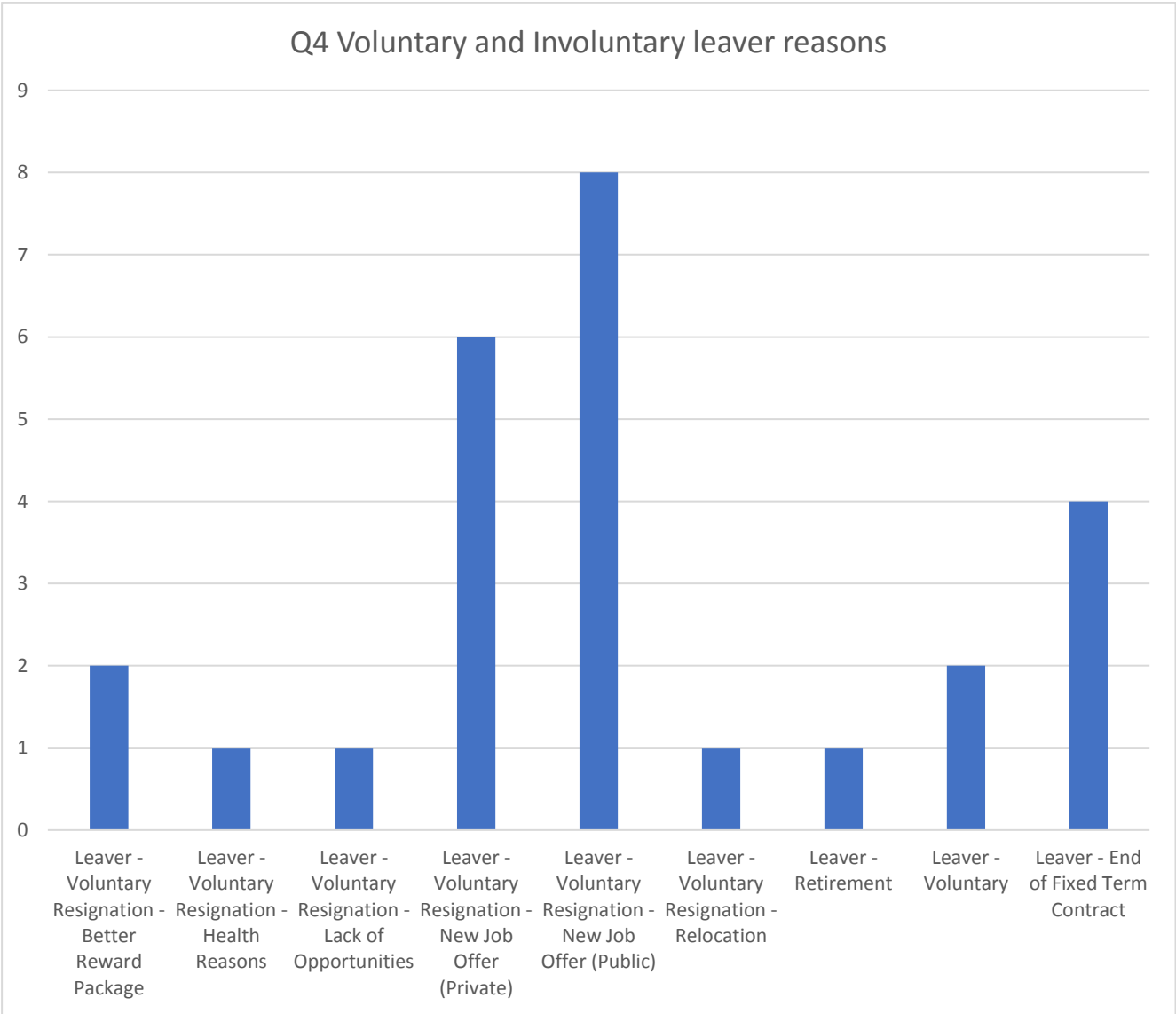
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**Chart 2 – Leavers by Service Area**

Org Structure	Leavers in Q3	Leavers in Q4	Turnover Q3	Turnover Q4
Executive	0	0	0.00%	0.00%
Finance	2	2	0.00%	7.7%
Housing	4	1	3.23%	3.8%
Shared Planning	6	8	5.17%	6.67%
Shared Waste and Environment	13	10	2.34%	30.8%
Transformation, HR and Corporate Services	3	5	0.00%	19.2%
<b>Total</b>	<b>28</b>	<b>26</b>	<b>4.40%</b>	<b>3.95%</b>

**Chart 3 – Q4 Voluntary Reasons for Leaving**

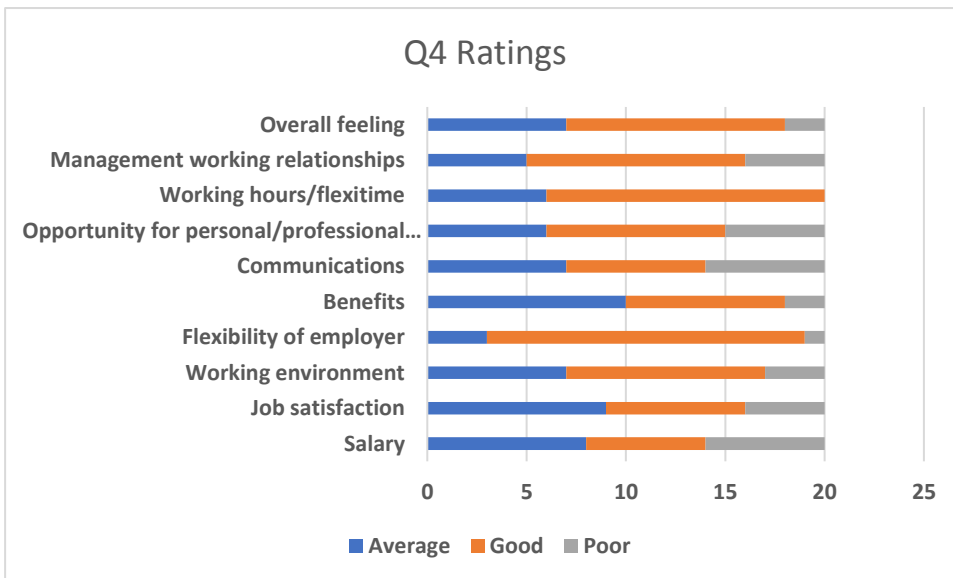




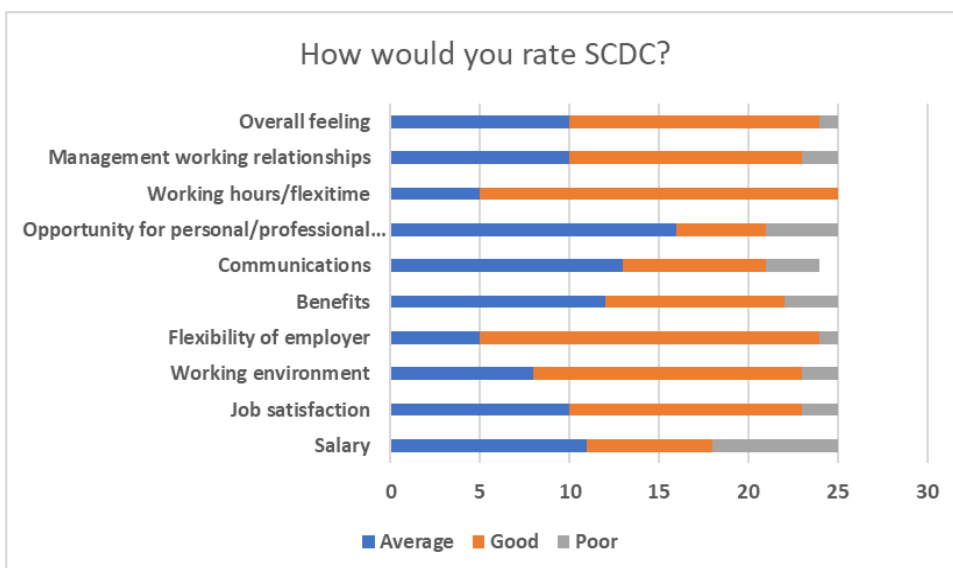
**Chart 4 – Q3**



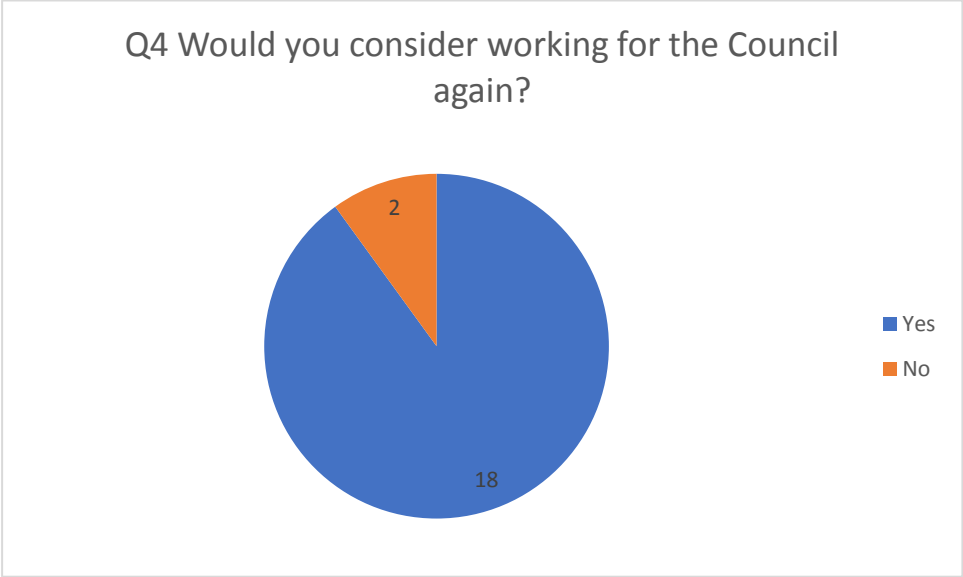
**Chart 5 – Q4**



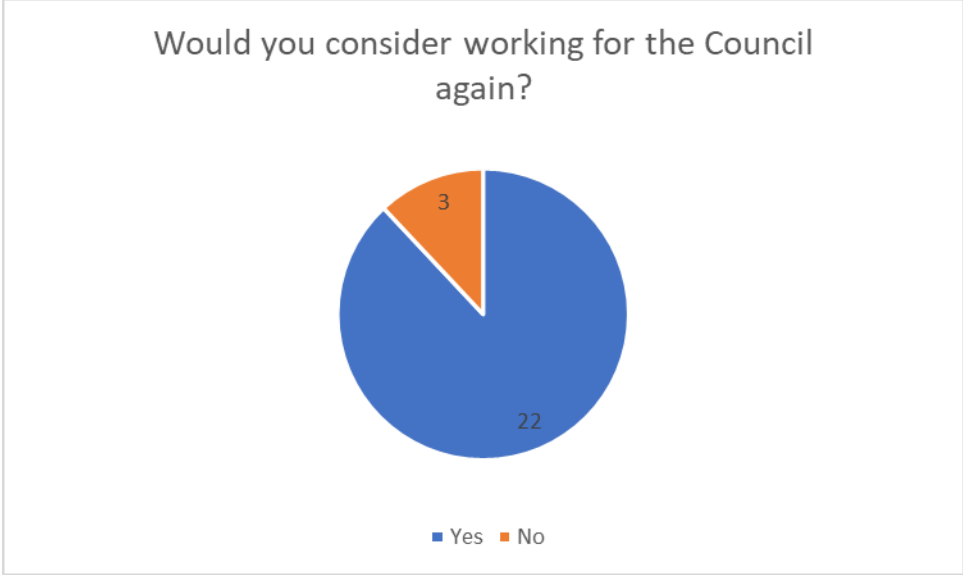
**Chart 6 - Q3**



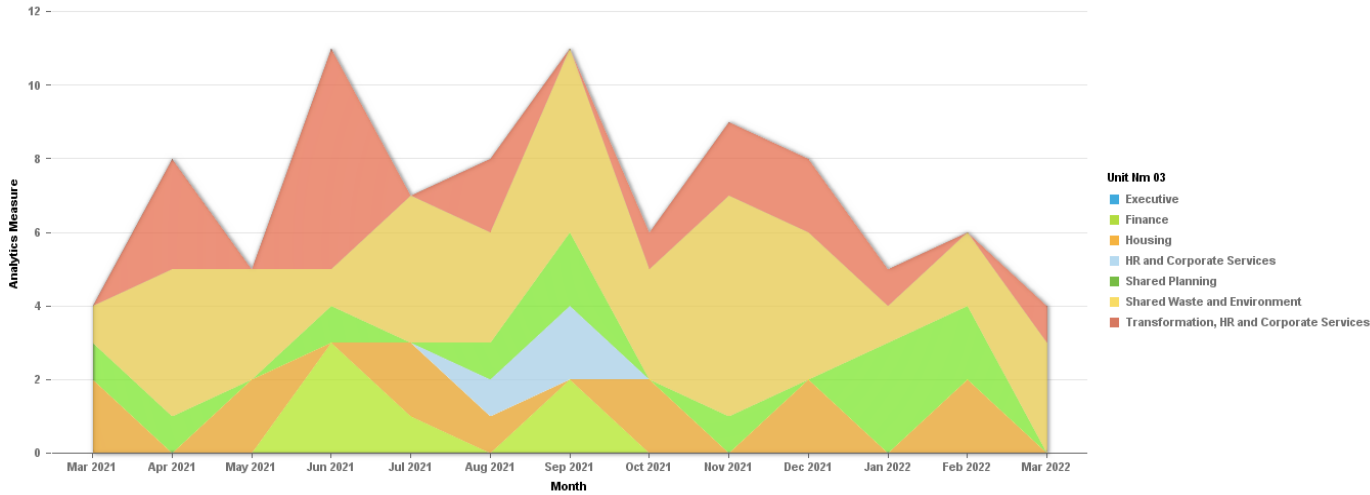
**Chart 7 – Q4**



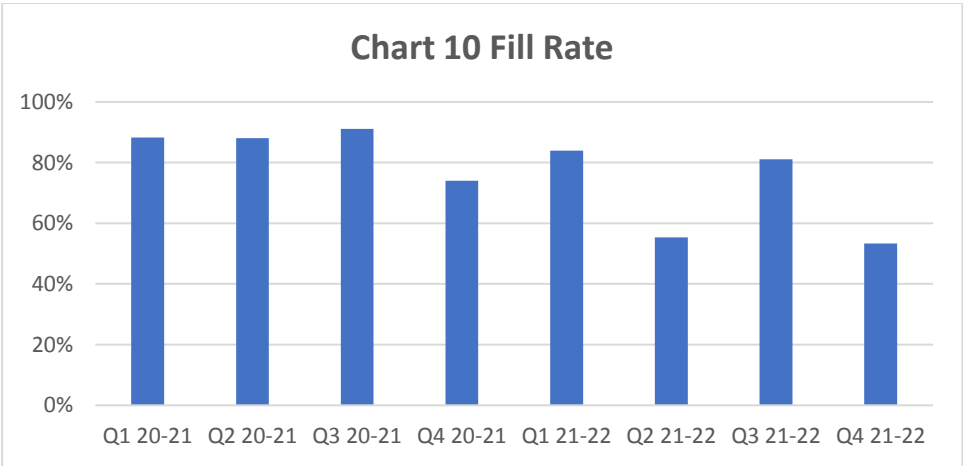
**Chart 8 - Quarter 3:**



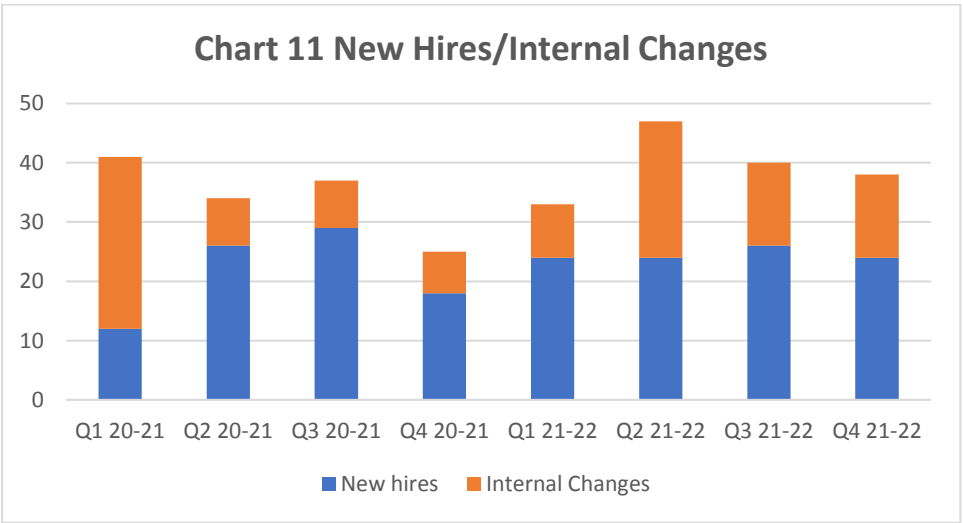
**Chart 9 –Joiners in periods, by Service Area**



**Chart 10**



**Chart 11**



**Chart 12**

