

**Open Report on behalf of Andrew Crookham,
Executive Director - Resources**

Report to:	Overview Scrutiny and Management Board
Date:	19 December 2019
Subject:	HR Management Information and Workforce Plan Update Report

Summary:

The purpose of this report is to provide an update on the HR Management information and corporate HR projects.

Actions Required:

The Overview and Scrutiny Management Board is asked to seek assurance on HR Management Information and the progress on corporate HR projects.

1. Background

The regular review and monitoring of HR Management data at both Director Leadership Team (DLT) level and by Corporate Leadership Team (CLT) is enabling effective oversight of workforce and HR performance at both a local level and for the organisation.

The HR Service provides quarterly updates of HR management information to DLT's. Annual reports are also reported to the CLT which provides workforce information to aid planning to address future corporate workforce priorities. The HR Service is also required to publish information on the internet about the workforce in an annual gender pay gap report and in the annual Workforce Report, summarising equality and diversity performance both in line with statutory requirements.

This report provides a summary of the most recent data available from the 2019/2020 Quarter 1 HR Management Information report (April to June 2019).

The HR structure information and reporting functions are currently being updated in the Business World ERP system. The next HR management information quarterly report will be produced following Quarter 3 and will not include a sickness days lost per FTE or an annual turnover percentage. The next full report will be based on Quarter 4 data. While data is not available in full, any concerns relating to significant changes in employee management including sickness and turnover will

be escalated through Directorate Leadership Team meetings, addressed appropriately, and reported.

The report also includes an update of three key corporate HR projects overseen by the HR Service including:

- review of employment policies
- apprenticeship strategy 2020 - 21
- 2019 employee survey

2. Corporate Workforce Management Information

Together with other organisational information, the data about the workforce informs the priorities for the Council's HR and Workforce projects and the solutions required to address current and future workforce challenges, in particular to attract, recruit and retain skills in high risk areas.

The following summary highlights the key information gathered during Quarter 1 (Q1) of 2019/2020 (01/04/2019 - 30/06/2019). Illustrations of the data can be seen in Appendix A.

2.1. Number of employments

At the end of Q1 2019/2020 the Council had 4,517 employment contracts covering 3,999 full time equivalent (FTE) roles. The number of FTEs reached the lowest figure in March 2017 (3,429.) The following provides example reasons for the FTE variations over the previous years:

- Insourcing of Health Visitor teams and Children and Young People nurses totalling 211 full time equivalent roles from the NHS to Children's Services on 1 October 2017.
- Insourcing of 51 employees from Serco on 1 March 2019 to provide Human Resources, Customer support services and systems administration and development support for Mosaic and Business World.
- Additional funding to address specific workforce challenges (for example Better Care Funding for Adult Care).

Since the last report to this Board in June 2019, which covered data from Q3 2018 -19, the employments figure has risen by 105 FTE. This increase is also demonstrated by the continuation of successful recruitment campaigns to fill vacancies across the organisation including 12 residential care officers in Children's Services.

2.2. Agency spend

Services within the Council use agency workers to provide additional resources. Agency workers provide flexibility on a short-term basis, which may be to cover a role pending permanent recruitment, to cover a secondment, for peaks in demand, specialist skills or to cover absences such as paternity leave, holiday or sickness.

There are therefore circumstances where using agency workers is beneficial to the organisation as an effective way to fill short term absences or vacancies. Longer term and repeated use of agency workers can have a significant financial impact which we seek to avoid where possible.

There has been a reduction in the usage and cost of agency staffing through our agency contracts over the last three years when the figure reached £6 million in 2015/2016. The amount spent on agency workers in 2018-2019 under our current provider contracts was £4.48 million per annum. This reduction is partly due to the implementation of a number of effective recruitment and retention initiatives, reducing the need to cover vacancies with agency workers. Based on Q1 figures, it is estimated that the annual figure for 2019-2020 may increase on the 2018-2019 figures by 8.5%. This therefore remains an area to be monitored. Over the coming months all services will be required to review the use of agency workers and overtime for employees.

In Children's Services, government funding has been used to support the SEND reforms which has required agency resources which can only be fulfilled outside of the current contracts, for example Educational Psychologists. Following the SEND reforms implementation, the ongoing permanent staffing will be reviewed and it is planned that agency usage will reduce.

Legal Services continues to have high agency spend due, in particular, to the difficulties in appointing Childcare Lawyers as mentioned in the previous report. Work is continuing to find opportunities to improve the service's ability to attract and retain Childcare Lawyers.

Recent increases in agency usage have been for social workers in both Adult and Children's teams. As outlined above, the ongoing recruitment campaigns in both Directorates seek to fill all permanent vacancies to reduce any negative impact on service provision and employees in post.

2.3. Voluntary turnover

Voluntary turnover is currently 8.7% and has remained at a steady rate over the last two years, between 8% and 10% - this is considered a 'healthy' turnover rate. As part of the recruitment and retention focus, total turnover of new employees within their first 24 months of employment is also monitored to identify and address any areas of concern and as at Q1 stood at 4%. A benchmarking exercise undertaken across the PPMA Shire Counties Network (17 Councils) has shown that LCC has the third lowest voluntary turnover figure where the turnover levels ranged from 7.5% to 17.4%.

Induction arrangements are important to ensure that the appropriate development and support is identified for new employees. Some areas have recently reviewed their induction processes, an example of this is Business Support which has put in place arrangements to enable people who would otherwise be spread out in teams across the Council to come together and feel part of the Business Support service.

2.4. Days lost due to sickness absence

The Q1 days lost due to sickness absence is 7.15 days lost per FTE. This figure is based on the previous 12 months, therefore is not affected by seasonal variations seen particularly in the winter months. The data shows that although reported sickness absence had remained at a similar level between 2016 and 2018, over the last year the figure has shown an upward trend. It remains lower than the 7.5 sickness days per FTE target. This target was set in 2014-15 and continues to be used.

Information collected from a recent benchmarking exercise with the PPMA Shire Counties Network shows the LCC's sickness absence level is third lowest (out of 17) where the sickness days lost per FTE figures range from 6.75 days to 13.01 days.

The recent increases are most evident in Adult Care and Community Wellbeing, Children's Services and Uniformed Fire. These areas all include the delivery of front line services; however the fact that the levels have previously been lower suggests that there are still opportunities to reverse the recent increases.

The management of sickness absence continues to be a key priority for all Executive Directors and line managers and is reviewed on a quarterly basis at Director Leadership Team level. Any concerns are investigated and actions are put in place.

2.5. Reasons for sickness absence

Since the last report we have been tracking four groupings of sickness reasons:

- Cold/flu/virus (including respiratory, infections, headaches and migraines)
- Mental health (including stress, depression and mental illness)
- Musculoskeletal (including back and neck problems and other muscular issues)
- All other reasons (including surgery related, cancer and accidents)

It is clear to see the seasonal impact of short term absences in the cold, flu and virus category, however the long term absences (over 20 working days in length) have a greater impact on days lost to the organisation. In Q3 2018, the number of days attributed to mental health related absences had been showing a marked increase across the Council. Since December 2018, however, this has decreased from being the cause of 35% of all ongoing absences to 22%. This decrease has been evident across all director areas other than Children's Services where further support and guidance is planned. In other areas, the increases in absence have been due to employees having planned surgery and subsequent recovery time.

There are a number of initiatives planned as part of the Health and Wellbeing Strategy which focus on the mental health of the workforce with a current focus on the provision of mental health first aider training. In addition this winter all staff also

have the opportunity to receive free flu vaccinations which is being encouraged throughout the Council.

2.6. Equality data

Detailed analysis of the gender pay gap reporting and workforce equality data will take place later this year. The overall the gender balance across LCC remains at approximately 1/3 male (32.91%) and 2/3 female (67.09%).

2.7. Management of Employee Relations cases

The number of formal disciplinary and grievance cases open during Quarter 1 is 24 and 6 respectively. There have been minor rather than significant fluctuations in the number of cases over the last three years, however in this quarter there has been a marked increase in cases within Children's Services. These cases have been analysed and as no particular trends or causes can be identified, the Children's Leadership Team and HR Services will continue to monitor case numbers in this area.

The high risk cases are monitored by the Executive Director - Resources on a monthly basis and where appropriate, challenge is made on how cases are being managed. Formal lessons learned are conducted for the majority of high risk cases to make sure that the relevant services can make any changes to practice where appropriate and that employment policies, guidance and training are updated accordingly.

3. Projects Update

3.1. Review of all employment policies

A review of our employment policies is underway to ensure they are written in a user-friendly way, are easy to follow and that they support the Council in developing good working relations between managers and staff. As a result of this review, we will be making quite significant changes in terms of how our policies are written. We want to ensure they provide the information needed and reflect the culture we aspire to - fostering an environment of support and encouragement for our people, whilst delivering high performance across all our service areas. We are engaging with managers, trade unions, and other groups over the coming months to enable us to roll out updated versions of our policies in 2020, supported by communications and management training.

3.2. Apprenticeship Strategy 2020 – 21

As at the end of October, the total number of Lincolnshire County Council staff undertaking apprenticeships is 199, of which 52% are receiving training from local providers. A range of apprenticeships are being undertaken to support recognised areas of hard to recruit/retain or where there are national shortages.

As of 1 November 2019 levy paying organisations were able to transfer up to 25% of their levy to eligible employers directly. To date the Council has allocated

£130.5k into the Adult Care Sector to support 40 employees undertaking adult care apprenticeships in Lincolnshire.

From April 2020, the Council will be implementing a refreshed leadership and management development programme which will be aligned to the leadership apprenticeship standards, accredited by the Institute of Leadership and Management (ILM.) This will not only provide for a comprehensive corporate leadership programme tailored to meet the Council's needs, but will also enable the Council to further utilise the Apprenticeship Levy.

3.3. Employee Survey

An updated employee survey launched in November 2019, the results of which will be used to inform future organisational and workforce priorities. There are questions which enable comparison from the previous survey conducted in 2017 but also new questions have been incorporated to enable an assessment of employee engagement levels as well as seeking employee's ideas of how to embed the 'one council' culture. New questions have also been included to support the development of the Health and Wellbeing Strategy.

4. Conclusion

The regular review and monitoring of HR Management data at both DLT level and by CLT is enabling effective oversight of workforce and HR performance at both a local level and for the organisation. This is enabling CLT and Directors to identify priorities and solutions required to address current and future workforce challenges, at both local and corporate levels, in particular to attract, recruit and retain skills in high risk areas. It is planned that the next report to the Overview and Scrutiny Management Board will be provided in May 2020.

5. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

Not applicable

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Corporate Workforce Management Information illustrations Corporate Workforce Dashboard – Quarter 1 2019

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Shevill, who can be contacted on 01522 550422 or lucyk.shevill@lincolnshire.gov.uk.