

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

Report to:	Overview and Scrutiny Management Board
Date:	24 September 2020
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 the 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) enables 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. Due to updates to the Business World ERP (Enterprise Resource Planning) system and redevelopment of reporting from the system, reports have not been produced in Quarter 2 and Quarter 3. The Council 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 in line with statutory requirements.

This report provides a summary of the most recent data available from the 2019/2020 Quarter 4 HR Management Information report (January to March 2020).

The reporting functions continue to be updated in Business World. Although we had anticipated that the Quarter 4 report would include all data sets, the sickness days lost per FTE and the annual turnover percentage reports have been delayed.

The report also includes a summary update of corporate workforce initiatives and gender pay gap actions.

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 initiatives 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 4 (Q4) of 2019/2020 (01/01/2020- 31/03/2020). Illustrations of the data can be seen in Appendix A.

2.1. Number of employments

At the end of Q4 2019/2020, the Council had 4,551 employment contracts covering 4,045 full time equivalent (FTE) roles. The number of FTEs reached the lowest figure in March 2017 (3,429.)

There have been small fluctuations in staffing numbers over the last year. The Q4 2020 figure of 4551 is 38 employments higher than Q4 2019. This shows a slower rate of increase over the year, in comparison to the previous 2 years.

Since the end of Q4 and during the Coronavirus pandemic, recruitment was limited to priority roles. Although this restriction was lifted at the end of June, Directors are now considering the impact of the pandemic on ways of working and the financial situation, and how this may affect staffing.

2.2. Agency spend

Services within the Council use agency workers to 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.

The agency spend under our current provider contracts for 2019-2020 was £5,041,641 which shows a £560,000 increase in agency spend compared to 2018-2019. Although this has not exceeded figures from 2015-2016 when the spend reached £6 million, recent actions have been taken to reduce the numbers of agency workers. This has included the temporary redeployment of employees to cover priority demands, who have not been able to perform their normal duties during the Coronavirus pandemic as well as offering employment contracts to some agency workers where there is an on-going need for the role.

The use of agency workers for the Educational Psychology service continues where government funding has been used to support the Special Educational Needs and Disabilities (SEND) reforms which has required agency resources

which can only be fulfilled outside of the current provider contracts, for example Educational Psychologists. The strategic future direction of this service is being reviewed with the aim for any new arrangement to be in place by April 2021.

Recent increases in agency usage have been for social workers in both Adult's and Children's teams. Ongoing recruitment campaigns in both Director areas seek to fill all permanent vacancies to reduce any negative impact on service provision and employees in post.

The Corporate Leadership Team has requested a more in depth review of the reasons for the increase in agency usage so that lessons can be learned. The outcome of this review will be shared with the Board at a future meeting.

2.3. Voluntary turnover

The annual turnover figure is not available for Quarter 4 due to Business World changes. It was last reported in Quarter 1, when the voluntary turnover was 8.7% and had remained at a steady rate over the last 2 years, between 8% and 10% - this is considered a 'healthy' turnover rate which compared well to other shire counties with Lincolnshire having the third lowest voluntary turnover figure where the turnover levels ranged from 7.5% to 17.4%.

Within Q4, the number of voluntary leavers had not changed significantly. However the figures show an increase in involuntary leavers where 30 inactive relief contracts across Children's Services, Place and Resources Directorates have been closed and fixed term and temporary contracts have come to an end.

Leaver reasons

As employees leave the organisation we can report on the reasons given in Q4 2019-2020. The following outlines the voluntary leaver reasons recorded.

Voluntary leaver reasons	Number of leavers
Resignation - Domestic	7
Resignation - Full Time Education	1
Resignation - Join Another Local Authority	13
Resignation - Join Another Public Body	14
Resignation - Join Private Sector	11
Resignation - Maternity Reason	1
Retirement - Voluntary Early	5
Retirement - with Pension	16
Resignation - Other (see personnel file)	36
Resignation - Unknown	2
Grand Total	106

In order to understand more about the reasons employees have for leaving the organisation, a new online exit survey was launched in December 2019.

The following provides a summary of the information collected.

- Of 160 leavers (voluntary and involuntary) in Q4, 26 completed an exit survey (16%). An additional 12 people who moved roles within the Council completed a survey.
- Employees are given the opportunity to state the main reason and also other factors which have influenced their decision to leave.

Most common main reason: To pursue a different career

Most common additional factors: job satisfaction, work/life balance, workload

- 85% of those leaving said they would work for LCC again (2% N/A as they were retiring, 13% no)
- 71% of all respondents said they would work for the same team again (leavers and movers)
- 71% of all respondents said that their manager did a good job (21% sometimes, 8% no)
- 91% of all respondents said they had an appraisal in the last year

Where responses have identified cause for concern these have been flagged through senior management.

Further communication of the exit survey through management teams and corporate communications will be issued with the aim of achieving an increase in completion rates to add to the value received from the data in the future.

2.4. Days lost due to sickness absence

The days lost due to sickness absence figure is not available for Quarter 4. The current target is 7.5 sickness days per FTE. It was last reported in Q1 as 7.15 days lost per FTE. The data shows that although reported sickness absence had remained at a similar level between 2016 and 2018, up to Q1 there had been an upward trend over the year. Due to a 15% increase in the number of absences within Q4 2019-2020, when compared with Q4 2018-2019, it is expected that the days lost figure will have increased.

The management of sickness absence continues to be a key priority for all Executive Directors and line managers, where individual cases are monitored and any trends are investigated.

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 can be seen that there is 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. The previous reduction in mental health related absence in Q1 has shown a marked increase across the Council in Q4 forming a larger proportion of all absences. Over a year the number of these absences has increased from 101 (Q4 2018) to 167 (65% increase) but the number of days attributed to these absences has increased at a greater rate (95%), showing that where staff have been absent for mental health related reasons, they have taken longer to return to work. All mental health related absences are monitored by the line manager with support from HR and occupational health where appropriate.

Awareness of and openness about mental health issues remains a priority as part of the Joint Health and Wellbeing Strategy and has been a particular focus during the COVID-19 pandemic where staff have been key workers, delivering front line services and in other cases, working from home while managing the challenges of the pandemic and its effects on their families and personal lives.

Alongside our usual support arrangements which are the Employee Support and Counselling service and the Employee Assistance programme available through Sodexo, we have developed a number of additional resources covering key areas including coping with change, grief and loss, recovering from trauma and financial wellbeing. The Employee Support and Counselling service is now offering group counselling sessions to support teams who require additional support. There are also webinars, apps and other online support signposted for employees to access.

Employees also have access to an emotional support telephone line run by the Lincolnshire Partnership NHS Foundation Trust (LPFT), the county's mental health and learning disability NHS trust, and if they require treatment for a mental health condition they can be referred to the LPFT talking therapies service steps2change. This service provides National Institute of Clinical Excellence (NICE) recommended, evidence based interventions for people experiencing depression and a range of anxiety disorders.

There are a number of additional initiatives planned as part of the Joint 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 will be encouraged to receive free flu vaccinations.

2.6. Equality data

The overall gender balance across Lincolnshire County Council (LCC) remains at approximately 1/3 male (32.57%) and 2/3 female (67.43%).

The 2019 gender pay gap report shows that the median gender pay gap is 3.3% and remains considerably below the national average of 17.3%.

Gender pay gap

The Board received information regarding the 2019 LCC gender pay gap in January 2020.

Since that time the data has been published on the LCC website and government website. Key messages about equality and diversity are included in the revised employment policies. The launch of the policies has been delayed to January 2021 due to the Coronavirus pandemic. Manager training on the four employee relations policies started in September 2020; however the wider suite of management training courses will be refreshed in the new year. Equality and diversity policy and practice will also form part of a new manager's induction package.

Plans are in place to create recruitment and apprenticeship microsites to help advertise the benefits available to staff working for LCC including flexible working which will be of interest to any applicant but may help encourage applications from women into senior roles.

Employees with disabilities

The number of employees stating that they have a disability is continuing to show slight increases and at the end of Q4 2019-20 this was 4.3%. This remains below the latest local labour market data (2011) figure which was 5.6%, however 41% of employees have not declared their disability status and although this figure continues to decrease, the provision of this information is voluntary.

Employees with disabilities are supported to attend work and adaptations to their working arrangements and equipment are put in place where necessary through discussions with their manager and occupational health if appropriate.

Employees from BAME backgrounds

The proportion of employees from BAME (Black, Asian and Minority Ethnic) backgrounds has decreased slightly in the last year and currently stands at 3.03%. The latest labour market data (2011) shows 3.4% of Lincolnshire's working population were from BAME backgrounds. The impact of COVID-19 on people in this category has been identified at a national level and additional risk assessment guidance has been put in place locally to ensure appropriate steps are taken to manage risk for this staff category.

2.7. Management of Employee Relations cases

The number of formal disciplinary and grievance cases open during Quarter 4 is 22 and 1 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 the Place directorate. The Assistant

Directors across the Directorate are emphasising the importance of a performance culture and as a consequence, there has been a spike in the number of cases.

The high risk employee relations cases are monitored by the Executive Director for 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. This may lead, in some cases, to updating of employment policy guidance and training.

3. Corporate Workforce Update

3.1. Review of all employment policies

The aims of the employment policy review are to develop and embed a refined, streamlined, clearer set of policy documents for all employees to refer to. This reinforces the changes we want to see in the approach, style and ways of working of LCC and the way we support and manage our workforce, changing in a way that reflects the more responsive and agile working culture.

The new employment policies and processes will:

- reflect principles that guide decisions. Separate 'how to' guides and toolkits for managers have been developed, and factsheets/information for employees, where necessary.
- support a culture of early resolution of issues through open and honest discussion – a 'people centred' approach rather than 'process centred' approach. The aim is to promote and develop the capacity to resolve matters as much as possible, informally, before the need to use formal procedures.
- support the de-escalation of issues – particularly, across the Employee Relations (ER) suite of policies, making resolution less hierarchical and lengthy.
- enable Managers to look across the organisation (to colleagues/peers) if independence needed in hearings/issues resolution, rather than automatically going up the hierarchy.
- enable Managers to be more empowered and accountable to take decisions in the business context in which they are operating.
- continue to evolve in line with changes to ways of working, such as agile working.

Progress to date

- Following engagement with Trade Unions and the parallel engagement with the 35 Stakeholder Manager group and the HR Team, all corporate policies were finalised at the end of May, following a period of formal consultation with Trade Unions, extended by a month due to the impact on all parties of the COVID-19 crisis.

- A similar process has been followed with regard to the schools specific policies, where engagement has taken place with a Head teachers/Business Managers group and Trade Unions. The formal consultation with Trade Unions concluded at the end of July.
- Due to the cancellation of face to face training for the corporate ER policies, due to be delivered in April – June, timescales have been rearranged for September – November, with all training converted to remote training using a blended learning approach.
- Mandatory training is being rolled out to 700 managers between September and November 2020. (This will be incorporated as part of managers' induction for new managers going forwards.)
- The formal launch of corporate policies in January 2021 with policies hosted on the website.
- Schools' policies will be ready for adoption by governing bodies during the Autumn term ready for use from January 2021.
- Monitoring and review of the policies project which will include:
 - Analysis of Manager Training evaluations.
 - Managers' survey after 12 month's operation of the new policies to compare results with the manager survey undertaken in March 2019, which was completed by 360 managers across the Council.
 - Employee surveys.

3.2. Apprenticeship Strategy 2020 – 21

In August 2020 the total number of apprentices on roll is 196, with a levy allocation of £1,649,621.00. 62% of training provision is being delivered by local providers.

At the time of reporting, 27 of the 196 apprentices are on a break in learning which includes 20 who have been redeployed due to COVID-19. Of those 27, 12 are due to recommence their learning in September 2020.

The HR Service is working closely with providers to agree the optimum time of return to learning for redeployed apprentices; additionally we continue to work with all providers to ensure our apprentices are supported through to completion of their apprenticeship.

Lincolnshire County Council has amended the target to 250 staff undertaking apprenticeships for 2020-21. The emphasis will be on up-skilling existing staff and recruiting new talent, so we can maximise the levy and benefit from staff development.

The corporate approach is currently:

- Continuing to support take up of apprenticeships across all services and schools. For the Council, hard to recruit and retain areas remains highest priority.
- Business Support continuing to drive forward with apprenticeships as part of their workforce development approach. Business Support has introduced the new Business Administrator Level 3 qualification into their centre and have apprentices working to the new Customer Service Practitioner Level 2 standard.
- The ILM (Institute of Leadership and Management) Leadership and Management Apprenticeship for Level 3 is scheduled to commence in the autumn.
- We continue to work with the Local Government Association (LGA), Education and Skills Funding Agency (ESFA), local networks such as Compact and the Greater Lincolnshire Local Enterprise Partnership (GLLEP), and as part of the Apprenticeship Ambassador Network for the region. This enables the Council to share and receive resources, refine good practice within the Council and participate in benchmarking exercises with other authorities.
- As part of the COVID recovery plans, we are working to ensure, wherever possible, that the Council is in a good position to support apprenticeships in Lincolnshire. One example of this is the transfer of levy funds into the Adult Care Sector. As of the end of July 2020, Lincolnshire County Council was supporting 24 apprentices through this route.

4. Conclusion

Within the 2019-2020 year, there has been an upward trend in the number of employments and FTEs, the number sickness absences and days lost due to mental health reasons, and the cost of agency workers.

Since the end of Q4 and during the Coronavirus pandemic, recruitment was limited to priority roles. Although this restriction was lifted at the end of June, Directors are now considering the impact of the pandemic on ways of working and the financial situation, and how this may affect staffing.

In order to support the mental health of the workforce, a significant amount of additional resources have been put in place ranging from information and advice to webinars, apps and online sessions, counselling and other talking therapies. The Joint Health and Wellbeing Strategy delivery will continue to focus on mental health support.

The use of agency workers is also under review. In some areas employees have been redeployed into roles which have been previously been undertaken by agency staff and employment contracts have been offered where there is an ongoing need for the role.

The regular review and monitoring of HR Management data at both DLT level and by CLT is enabling 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, in particular to attract, recruit and retain skills in high risk areas. It is planned that the next report to the Board will be based on Q2 2020-2021 data and will be provided in March/April 2021.

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 4 2019

7. Background Papers

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

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