



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

Report to:	Overview and Scrutiny Management Board
Date:	30 November 2023
Subject:	People Management Update – Quarter 2

Summary:

The purpose of this report is to provide an update on the HR Management Information (HRMI) for Quarter 2 2023-2024.

Actions Required:

The Overview and Scrutiny Management Board is asked to seek assurance on HR Management Information and People Strategy.

1. Background

This report provides a summary of the HR management information data from 2023 Quarter 2 which can be seen in the summary data dashboard in Appendix A and the March 2023 Gender Pay Gap summary in Appendix B. The report also provides a summary of the People Strategy and the outcomes of the past 2 years.

2. HR Management Information

a. Employments

The number of employments increased by 70 in Quarter 2 (5798) and overall has increased by 130 (2.3%) since Q2 2022-23.

b. Voluntary turnover

The 12-month voluntary turnover percentage has decreased again in quarter 2 and stands at 8.41%. This is the lowest level since Q1 2021. The challenges within Adults and Children's remain with recruitment but turnover is relatively stable (below 10 and 8% respectively). One factor in this has been the Council's commitment to a number of attraction and retention initiatives over the last 18 months.

c. Agency spend

There has been an increase (+£30,019) in spend for this latest quarter. The increase relates to a higher demand for Educational Psychologists, who are largely 'off contract' agencies. However, whilst agency has increased the model of delivery is still more cost effective than the direct employment provision. In addition, there continue to be the normal areas of challenge within hard to recruit roles in Children's Services, Adult Care, Legal Services and Performance (Resources). However, the 'on contract' services with Matrix are demonstrating a reduction in spend due to lower costs per booking compared to previous quarters under the former contract.

On Contract (Matrix)

Q1 2022	£ 1,500,416
Q2	£ 1,520,141
Q3	£ 1,550,928
Q4	£ 1,427,076
Q1 2023	£ 1,433,890
Q2	£ 1,378,374

Off Contract (Various Agencies)

Q1 2022	£ 191,424
Q2	£ 202,097
Q3	£ 264,241
Q4	£ 186,481
Q1 2023	£ 332,767
Q2	£ 418,300

The main challenge is the off contract spend due to the difficulties in finding specialist professionals.

d. Sickness absence

At the end of quarter 2, the LCC (Lincolnshire County Council) days lost per FTE (Full Time Equivalent) figure for Directorates stands at 7.22 days. The figure has been reducing over the last year and is now below the 7.5 days target.

The directorates with the highest level of sickness have had reductions in the last quarter: Adult Care and Community Wellbeing (from 8.79 in Q1 to 7.88 in Q2). Children's Services (from 9.26 in Q1 to 9.05 in Q2). These areas remain above the 7.5 target. The sickness level in all other directorates remains at or below target.

Mental health related absence remains the highest cause of days lost. This is not unusual and mirrors most organisational reasons for absence. The Council provides a wide range of pro-active and re-active interventions for people with mental health concerns.

3. People Strategy

The People Strategy was launched in June 2021 to meet the Corporate Plan ambition on being an 'employer of choice'. There is a focus on nine core areas for development over the up to the end of 2024:



3.1 Equality, Diversity, and Inclusion

3.1.1 The Gender Pay Gap

Under the Equality Act 2010 (specific duties and Public Authorities) regulations 2017 the council is required to publish statutory gender pay gap information on an annual basis. The next report will cover the year up to 31 March 2023. The summary is included in Appendix B.

We had 5,208 employees in scope for the 2023 gender pay gap exercise. Of these 1,657 (32%) are male and 3,551 (68%) are female. The calculations are based on a comparison of the mean and median hourly rates for males and females.

The 2023 gender pay gap report shows:

- LCC mean gender pay gap: 3.5% (1.5% improvement from 2022)
- LCC median gender pay gap: 2.7% (0.1% greater than 2022)
- National median gender pay gap: 14.9% (2022 figure)

Whilst the County Council performance nationally is good, it continues to support initiatives that enable career development for its female employees, that will overtime see a further reduction in the pay gap. For example, flexible / smarter / hybrid working, supports a better work life balance for female employees progressing through their career, particularly in senior leader roles, where there is a need for a more representation.

3.2 People Strategy Outcomes: 2021-2023

An evaluation has been undertaken on the People Strategy to see what changes we have seen to the workforce challenges within the Council over the past 2 years.

3.2.1 The Workforce Challenge: 2021

The Council needed to address the following workforce challenges:

- i. 'Employer of Choice' but no people strategy / plan.
- ii. Impact of Covid -19.
- iii. Employees working from home.
- iv. Increasing sickness absence.
- v. Increasing voluntary turnover. Attraction / recruitment issues and no workforce planning.
- vi. Poor use of workforce data.
- vii. Challenges with our public sector equality duty.
- viii. Pay framework for leaders.
- ix. Employee relations challenges.
- x. Need for improved employee engagement.
- xi. Further development of health and wellbeing initiatives.

3.2.2 Our Outcomes: 2023

Over the past two years the Council has achieved the following:

- i. People strategy and comprehensive work plan in place.
- ii. Smarter working: financial savings and clear expectations.
- iii. Sickness absence: month on month decline over the last 12 months.
- iv. Voluntary turnover: month on month decline over the last 12 months.
- v. Attraction and retention framework has supported services to stabilise.
- vi. Monthly HR reporting to CLT and quarterly to OSMB on timely data.
- vii. Ability to evidence our public sector equality duty.
- viii. Senior leaders pay reform (non-consolidated pay increments subject to performance).
- ix. Improved employee relations and more a 'business like' approach to managing HR cases.
- x. Culture and leadership stock take, virtual staff forums, facilitator roles.
- xi. Enhanced health and wellbeing initiatives.

3.2.3 The Workforce Challenge: 2023 and beyond

The following areas will form part of the actions for the next 12 months:

- Business process improvement / productivity challenge.
- Developing new organisational values and behaviours with our workforce.
- Implementing a leadership development programme.
- Further reform to HR policies / processes
- Further development of attraction and retention framework
 - a. Phase 2 improvements to the LCC recruitment website
 - b. Further enhancing staff benefits (cost neutral)
 - c. Improved workforce planning

- Transforming and improving payroll, pension, HR administration and aligning with existing processes to achieve efficiency.
- Outcomes of 2023 employee survey need addressing.

4. Conclusion

The Board is invited to review the HRMI data from Quarter 2 2023/24 and seek assurance on HR Management Information and the current position of the People Strategy.

5. Consultation

a) Risks and Impact Analysis

Not Applicable

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Quarterly HRMI data 2023 Quarter 2
Appendix B	Gender Pay Gap March 2023

7. Background Papers

The following background papers as defined in section 100D of the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
People Strategy 2021-2024	Copy can be requested via tony.kavanagh@lincolnshire.gov.uk

This report was written by Tony Kavanagh (Assistant Director – HR and Organisational Support) and Lucy Shevill (Strategic HR Business Partner) both of whom can be contacted via e-mail at tony.kavanagh@lincolnshire.gov.uk and lucyk.shevill@lincolnshire.gov.uk.

