PERSONNEL COMMITTEE

26 SEPTEMBER 2016

ORGANISATIONAL DEVELOPMENT PERFORMANCE MONITORING – FIRST QUARTER 2016/17

REPORT OF ASSISTANT DIRECTOR (ORGANISATIONAL & SERVICE DEVELOPMENT)

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RECENT REFERENCES:

PER287 – Organisational Development Performance Monitoring Outturn 2015/16 – 21 June 2016

EXECUTIVE SUMMARY:

This report sets out a range of performance information relating to the human resources of the Council. This includes an update covering the first quarter of 2016/17 against performance indicators for sickness absence, staff turnover and the Council's staff establishment.

At the request of the Committee at its last meeting on 21 June, the report also includes an Organisational Development Risk Register.

RECOMMENDATION:

That the Committee raises with the Portfolio Holder any issues arising from the performance information included in the report and considers whether any items of significance need to be drawn to the attention of Cabinet.

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REPORT OF ASSISTANT DIRECTOR (ORGANISATIONAL & SERVICE DEVELOPMENT)

DETAIL:

1.   Introduction

1.1   This report sets out performance information for the human resources of the Council for the first quarter of 2016/17 by way of a range of key performance indicators.

1.2   The performance information in this report gives an overview of the personnel aspects of the whole organisation and gives an insight into the Council's performance in managing the workforce efficiently and effectively. A selection of this information is presented to the Corporate Management Team and Heads of Teams on a monthly basis to assist in the management of the organisation.

2.   Performance Indicators

2.1   Appendix 1 sets out performance monitoring information for a range of performance indicators relating to staff attendance, staff turnover and the Council's staff establishment.

2.2   Members will note more detailed comments on individual charts and graphs included within Appendix 1. The data for these charts and graphs has been extracted from the Council's Selima HR system.

3.   Staff Sickness

3.1   Staff sickness continues to be monitored very closely with detailed reports made available to managers after the end of each month. Further high level reports are presented to Corporate Management Team on a monthly basis and Performance Management Team quarterly.

3.2   The average number of days sickness taken during the 12 month period 1 July 2015 to 30 June 2016 has remained the same as at the end of the previous quarter at an average of 5.8 days per member of staff.

3.3   The Local Government Association (LGA) continues to collect quarterly data for a small number of performance indicators, including sickness absence from authorities on a voluntary basis. The most recent data published by the LGA relates to the third quarter of 2015/16. Provisional data has been released only to those contributing authorities by the LGA relating to the fourth quarter of 2015/16.

3.4   The table below provides a comparison of the quarterly data for Winchester and all English district local authorities, where the data has been submitted to the LGA.

Overall sickness absence (per FTE – excluding schools)				
	Winchester	Minimum for all English district Local Authorities	Average for all English district Local Authorities	Maximum for all English district Local Authorities
2014/15 Q2	1.7	0.7	2.0	3.6
2014/15 Q3	2.0	1.0	2.2	3.8
2014/15 Q4	2.4	0.9	2.4	14.0
2015/16 Q1	1.4	0.6	1.8	4.3
2015/16 Q2	1.6	0.6	2.0	8.5
2015/16 Q3	1.5	1.0	2.2	3.5
2015/16 Q4	1.7	1.1	2.3	4.2
2016/17 Q1	1.3	0.6	1.9	8.6

3.5   The provisional data (period Q1 2016/17) shows that Winchester continues to have a lower sickness absence rate per fte than the average of the eighty six district local authorities who have submitted their data for the same period which reflects the ongoing work of the Organisational Development Team to reduce the sickness levels at the Council.

4.   Risk Management Issues

4.1   At this Committee's meeting on 21 June 2016, Members requested that "future Organisational Development Performance Monitoring Reports should include a covering page to identify the areas of high risk, the scale and nature of the risk and the potential impact on the authority and the mitigation measures that were being taken to address it."

4.2   Officers have considered the areas of risk to the organisation and identified the following as being high risk:

- Loss of key staff and/or critical skills
- Inability to recruit to key posts
- Critical System Failure
- Failure to comply with statutory requirements

4.3   Appendix 2 to the Report provides a Risk Register with more detail against each of these risks and includes the potential consequences of these risks should they occur. The Register also explains how the Council manages these risks including an explanation of the controls that are in place to manage them. A likelihood and impact score for each of the risks adopting

the principles and methodology detailed in the Council's Risk Management Policy is also included.

OTHER CONSIDERATIONS:

5. COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

5.1 The need to make the best use of all available resources by continued clear financial planning within the City Council is an integral part for the delivery of the Community Strategy.

6. RESOURCE IMPLICATIONS:

6.1 Contained in the detail of the report.

7. RISK MANAGEMENT ISSUES

7.1 Details of the significant areas of HR risk at the Council are included in Appendix 2 of the Report. These include the loss of staff and/or critical skills, inability to recruit, critical system failure and failure to comply with statutory requirements.

7.2 The Appendix provides further details of the consequences of theses risks should they occur and the controls in place to manage them adopting the principles and methodology included in the Council's Risk Management Policy.

BACKGROUND DOCUMENTS:

Performance data held within the Organisational Development Team.
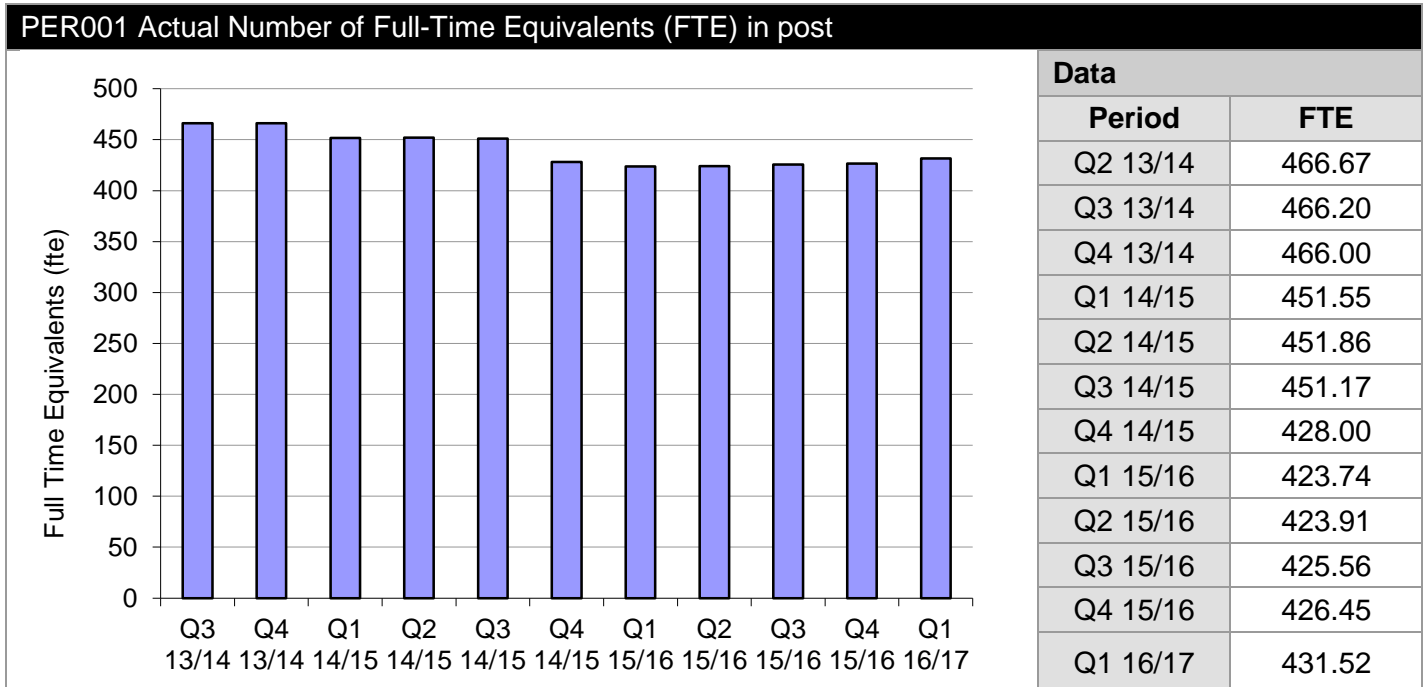
APPENDICES:

Appendix 1   Organisational Development Performance Indicators.

Appendix 2 – Organisational Development Risk Register

PERSONNEL COMMITTEE
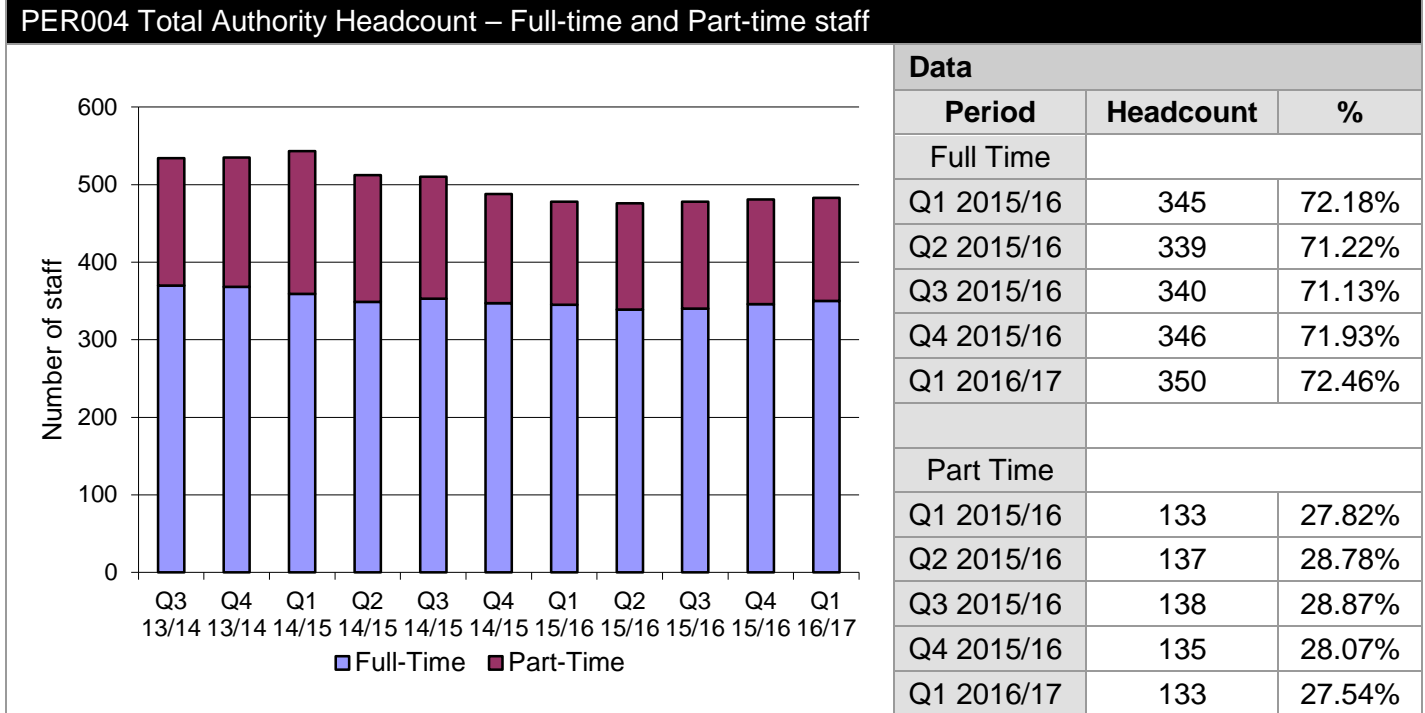
Quarterly Performance Monitoring – Q1 2016/17 update

<u>Establishment Indicators</u>

PER001 Actual Number of Full-Time Equivalents (FTE) in post

Data	
Period	**FTE**
Q2 13/14	466.67
Q3 13/14	466.20
Q4 13/14	466.00
Q1 14/15	451.55
Q2 14/15	451.86
Q3 14/15	451.17
Q4 14/15	428.00
Q1 15/16	423.74
Q2 15/16	423.91
Q3 15/16	425.56
Q4 15/16	426.45
Q1 16/17	431.52

Latest Comments -

This chart shows the actual number of full-time equivalents that are in post at the end of each quarter (31 March, 30 June, 30 September and 31 December) and includes temporary posts that are covering for example, maternity leave and other vacancies.

The quarterly number of full time equivalents (fte) in post has increased during the three months by 5.07 fte.

The continuing focus on budgets and the need to make savings where possible has resulted in vacant posts being reviewed on an individual post basis before being recruited to.
Where possible vacant posts will be held with the 1team process applied to all posts ensuring that internal resources are fully utilised.

PER004 Total Authority Headcount – Full-time and Part-time staff

Data		
Period	**Headcount**	**%**
Full Time		
Q1 2015/16	345	72.18%
Q2 2015/16	339	71.22%
Q3 2015/16	340	71.13%
Q4 2015/16	346	71.93%
Q1 2016/17	350	72.46%
Part Time		
Q1 2015/16	133	27.82%
Q2 2015/16	137	28.78%
Q3 2015/16	138	28.87%
Q4 2015/16	135	28.07%
Q1 2016/17	133	27.54%

Latest Comments –

This chart shows the actual number and percentage of full-time and part-time staff employed by the Council at the end of each quarter (30 June, 30 September and 31 December and 31 March).

The total headcount at the end of quarter one was 483 which shows a net increase of 2 when compared to the previous quarter.

This is a result of the staff appointments in the Revenues Team, Housing Services, Built Environment, Legal and Democratic Services, Estates, Policy and Planning, and Economy & Communities which is offset by leavers during the period (further details on page of the Report)

PER005 Turnover - No. of leavers as a percentage of total headcount (Full Time & Part Time – Quarterly)
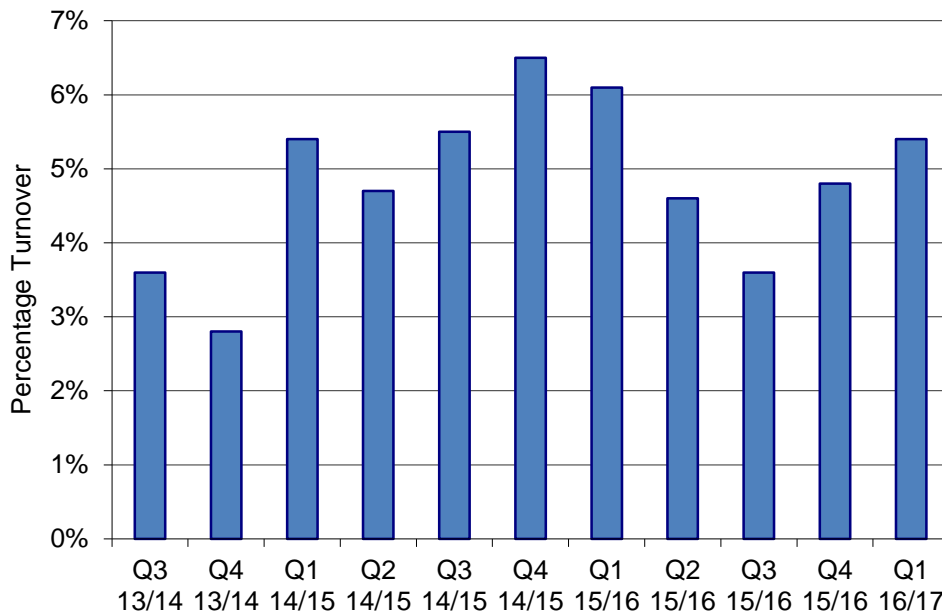
Data	
Period	**Turnover**
Q1 2013/14	3.50%
Q2 2013/14	3.20%
Q3 2013/14	3.60%
Q4 2013/14	2.80%
Q1 2014/15	5.40%
Q2 2014/15	4.70%
Q3 2014/15	5.50%
Q4 2014/15	6.50%
Q1 2015/16	6.10%
Q2 2015/16	4.60%
Q3 2015/16	3.60%
Q4 2015/16	4.80%
Q1 2016/17	5.40%

Latest Comments –

This chart presents the number of actual leavers per quarter as a percentage of the total headcount for the Council. Any internal moves between posts and departments are not shown as leavers within this data.

The actual number of leavers in quarter one was 28 compared to 23 for quarter four of 2015/16. More detail on the numbers of leavers is included in the chart on the next page.

The regular monitoring of staff turnover is particularly important as a high turnover figure may indicate low staff morale or other issues within the organisation.

PER003 Number of Actual Leavers (Quarterly)

Data	
Period	**No. Leavers**
Full Time	
Q1 2015/16	19
Q2 2015/16	14
Q3 2015/16	13
Q4 2015/16	15
Q1 2016/17	15
Part Time	
Q1 2015/16	11
Q2 2015/16	10
Q3 2015/16	4
Q4 2015/16	8
Q1 2016/17	13
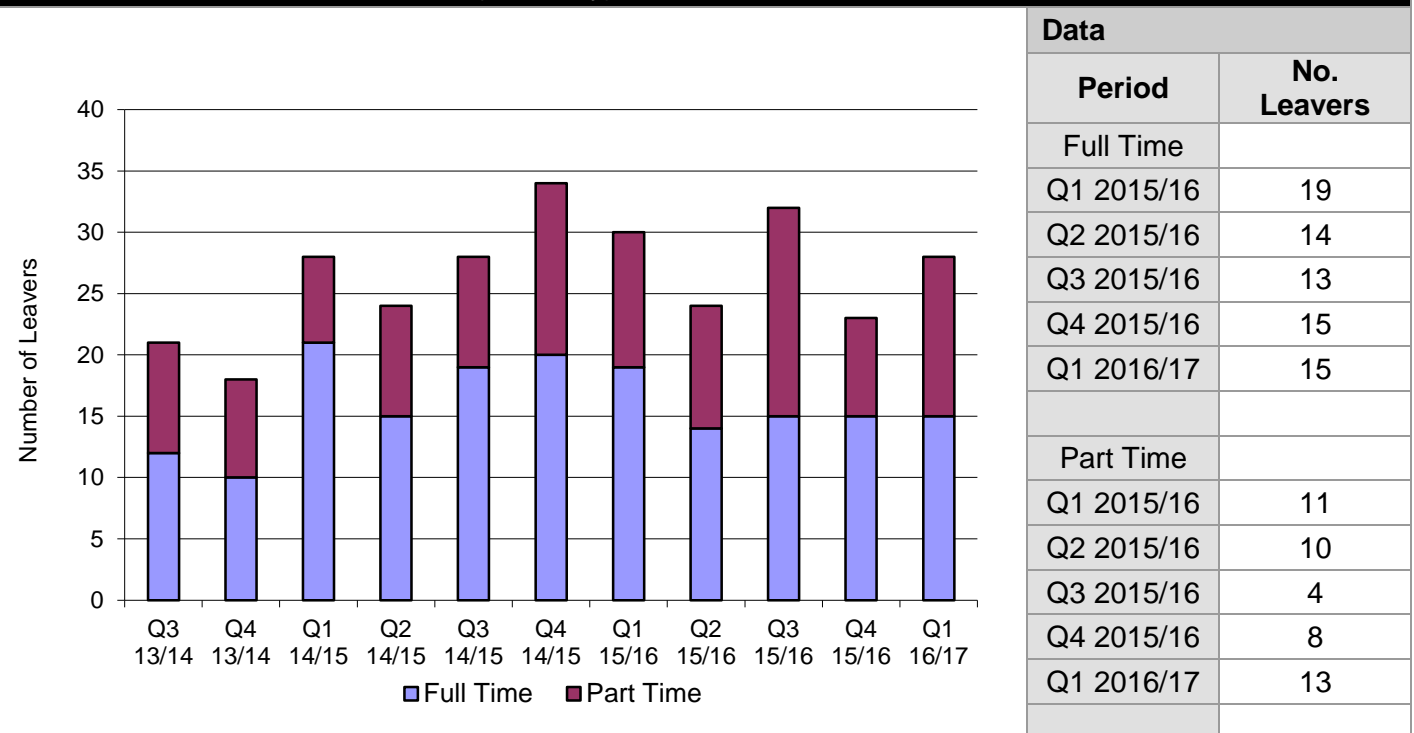
Latest Comments:

This chart shows the number of actual leavers per quarter (Apr-Jun, Jul-Sept, Oct-Dec and Jan-Mar) and is broken down between full-time and part-time staff.

The number of leavers in the period April to June (Q1 2016/17) included 4 from Economic and Communities, 6 from Built Environment, 1 from IM&T, 6 from Housing Services, 4 from Estates, 3 from Revenues, 1 from Policy and Planning 2 from Legal and Democratic and 1 from Communications.

The continued use of the 1team process enables resources to be allocated to priority areas if required after someone leaves.

Exit questionnaires are completed and interviews held with leavers and the results or comments closely monitored so as to identify any trends in areas or for example reasons for leaving.

## PER007 Analysis of appointments to vacant posts (Quarterly)
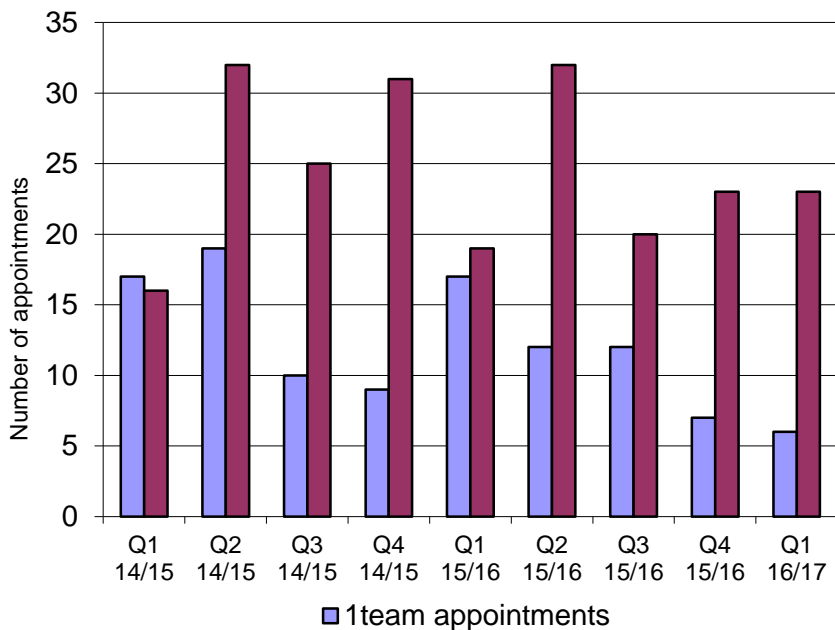
Data		
Period	**1team app't**	**External app't**
Q3 2013/14	6	16
Q4 2013/14	16	20
Q1 2014/15	17	16
Q2 2014/15	19	32
Q3 2014/15	10	25
Q4 2014/15	9	31
Q1 2015/16	17	19
Q2 2015/16	12	32
Q3 2015/16	12	20
Q4 2015/16	7	23
Q1 2016/17	6	23

Latest Comments:

This chart provides information on the number of appointments made to vacant posts during each quarter and whether the post was filled with an internal (1team) or external candidate.

The majority of vacancies are advertised in the first instance internally for a two week period and then externally should the internal recruitment process not be successful. Since the 1 April 2013 an average 36% of vacant posts have been filled using internal candidates following the 1team process. It should be noted that the number of staff appointed in each quarter does not reconcile with the number of posts advertised in the same period as a result of the recruitment and vacancy management process.

Included in the number of staff who have been appointed following the 1team process includes moves to Built Environment, Revenues and Economy and Communities.

Attendance and Sickness Indicators

PER008 No. of employees with no sickness absence during the rolling 12 month period		
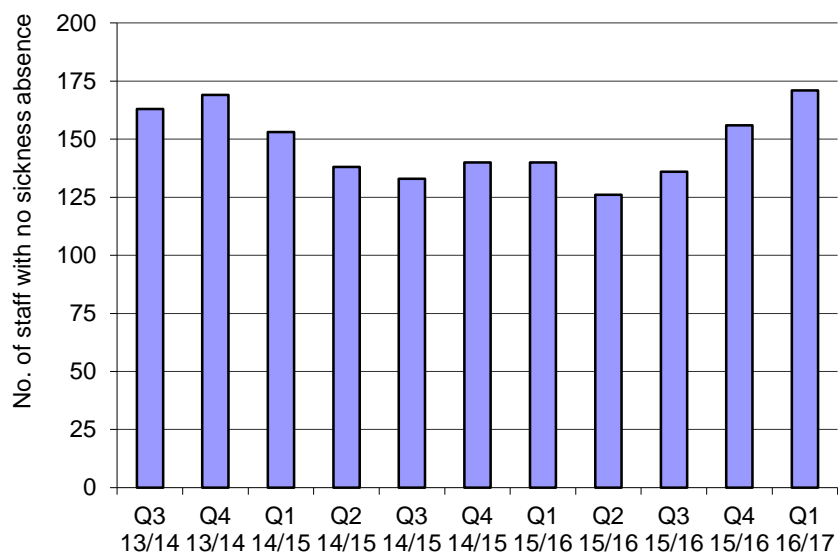
Data		
Period	**No. of staff**	**% of headcount**
Q1 2013/14	138	26.6%
Q2 2013/14	161	30.2%
Q3 2013/14	163	30.5%
Q4 2013/14	169	31.9%
Q1 2014/15	153	29.9%
Q2 2014/15	138	27.0%
Q3 2014/15	133	26.0%
Q4 2014/15	140	25.0%
Q1 2015/16	140	29.5%
Q2 2015/16	126	26.5%
Q3 2015/16	136	28.4%
Q4 2015/16	156	32.4%
Q1 2016/17	171	35.4%

Latest Comments – This chart provides data for the number of employees with no sickness absence on a rolling twelve month period as at the end of each quarter (30 June, 30 September, 31 December and 31 March).

As average sickness levels fall across the Council, there has been an increase in the number of staff who have not taken any sickness in the twelve month period when compared to the previous period.

**PER009 Average number of days of sickness per person per rolling year (all sickness)**
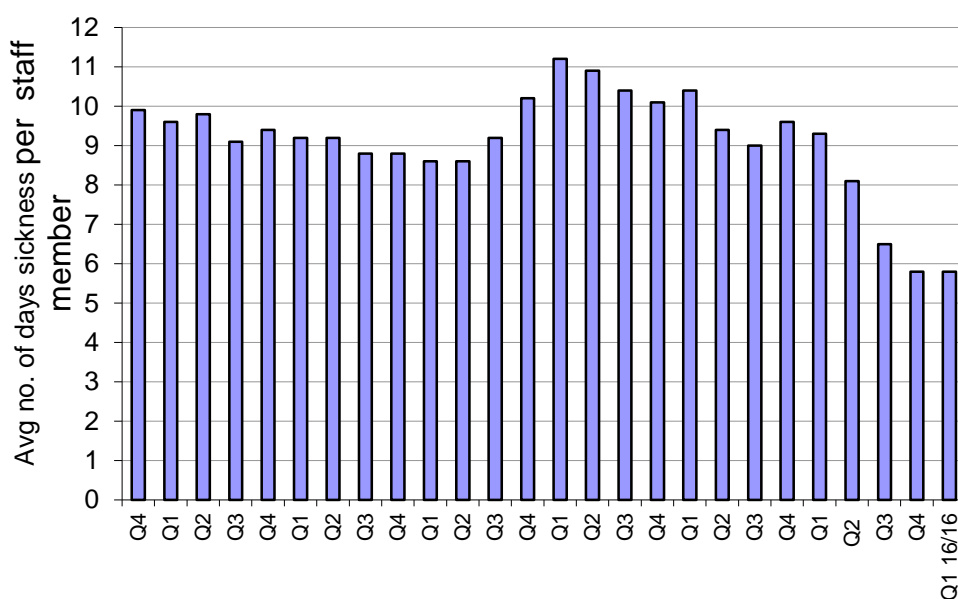
Data	
Period	**Days of sickness**
Q1 2013/14	11.2
Q2 2013/14	10.9
Q3 2013/14	10.4
Q4 2013/14	10.1
Q1 2014/15	10.4
Q2 2014/15	9.4
Q3 2014/15	9.0
Q4 2014/15	9.6
Q1 2015/16	9.3
Q2 2015/16	8.1
Q3 2015/16	6.4
Q4 2015/16	5.8
Q1 2016/17	5.8

Latest Comments – This chart provides data for the average number of sickness days taken per staff member across the whole Council on a rolling twelve month period as at the end of each quarter (31 March, 30 June, 30 September and 31 December).

The sickness absence figure for the twelve month period ending 30 June 2016 (Q1 2016/17) is 5.8 days sickness per member of staff which is the same when compared to the previous period.

The number of days where the sickness exceeded a total of 20 days per member of staff during the period 1 July 2015 and 30 June 2016 was 1,164.21 days. The sickness was taken by 29 staff (14 full-time and 5 part-time staff) with a full time equivalent (fte) of 27.24.

PER0011 Total Number of Days of Sickness absence – per quarter
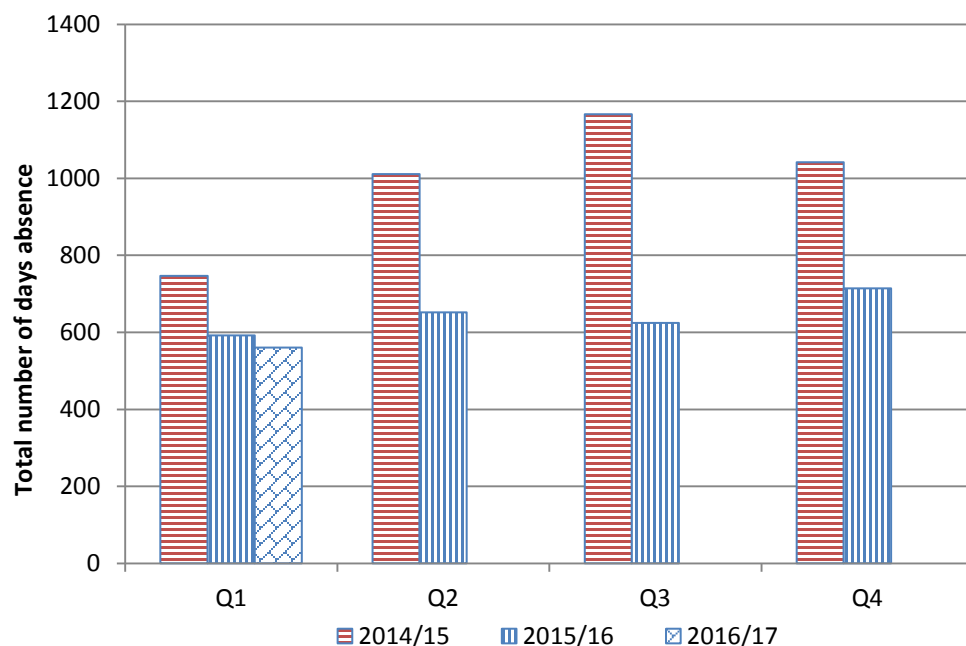
Data	
Period	**No. Days sickness**
Q4 2013/14	995
Q1 2014/15	746
Q2 2014/15	1,011
Q3 2014/15	1,166
Q4 2014/15	1,041
Q1 2015/16	592
Q2 2015/16	652
Q3 2015/16	624
Q4 2015/16	714
Q1 2016/17	560

Latest Comments – This chart presents the total number of days taken as sickness absence by staff in each three month period (quarter) and was requested at the June 2015 meeting of the Committee.

The data at this level is only available on a quarterly basis going back to 1 January 2014.

Generally the number of days taken as sickness will increase during the winter months when staff are more likely to take absence due to colds, flu and infections and then fall during the spring and summer months.

However, when comparing like for like quarterly periods, the trend is downwards showing a reduction of 32 days taken as sickness absence during Q1 2016/17 when compared to Q1 2015/16.

PER0015 Analysis of staff sickness absence of less than 20 days (Full-time and Part-time staff)

Average sickness (less than 20days) for the year
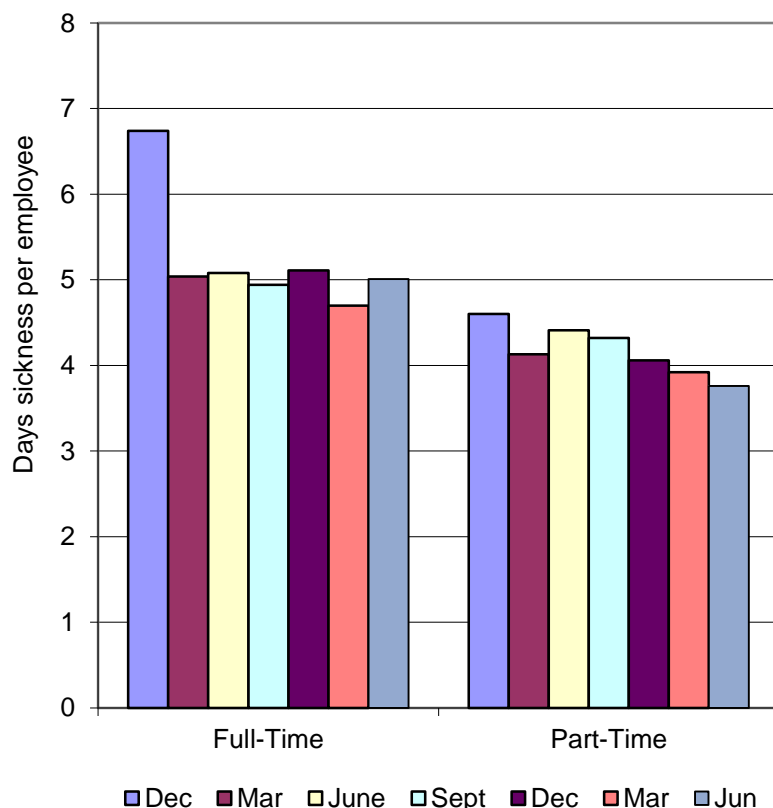
Data		
	Average no. working days taken as sick	No. of staff with sickness
Full-Time		
Yr ending		
30 Sept 15	4.94	219
31 Dec 15	5.11	216
31 Mar 16	4.70	209
30 June 16	5.01	199
Part-Time		
Yr ending		
30 Sept 15	4.32	84
31 Dec 15	4.06	89
31 Mar 16	3.92	87
30 June 16	3.76	85
Combined		
Yr ending		
30 Sept 15	4.77	303
31 Dec 15	4.80	305
31 Mar 16	4.49	296
30 June 16	4.63	283

Latest Comments –

This chart shows the average number of days sickness absence per City Council employee where the total absence was **less** than 20 days in the twelve month period ending the 31 March, 30 June, 30 September and 31 December. Staff that had no sickness in the period are excluded from these figures. The data is further analysed between full-time and part-time staff.
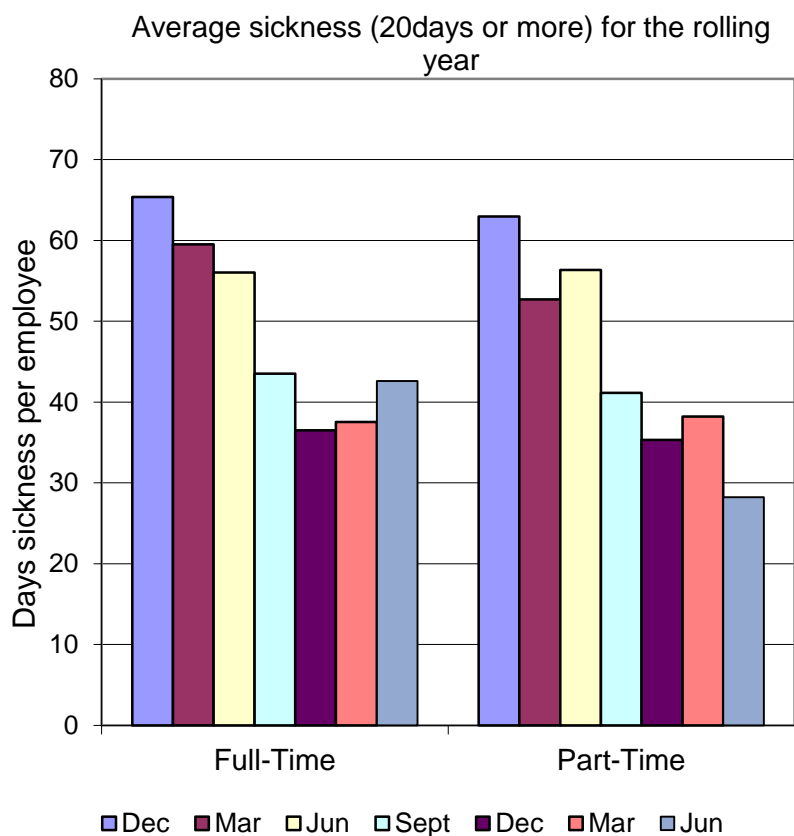
For the year ending 30 June 2016, 85 part-time and 199 full-time staff each took a total of less than 20 days sickness in the 12 month period.

The total number of days taken as sickness, where the total was less than 20 days per employee was 1,316 days (997 days by full-time staff and 319 days by part-time staff). Please also refer to page 5 showing the total number of staff split between full time and part time.

PER0016 Analysis of staff sickness absence of 20 days or more (Full-time and Part-time staff)

Average sickness (20days or more) for the rolling year

| Data		
	Average no. of working days taken as sick	**No. of staff with sickness**
Full-Time		
Yr ending		
30 Sept 15	43.51	35
31 Dec 15	36.51	27
31 Mar 16	37.54	24
30 June 16	42.63	24
Part-Time		
Yr ending		
30 Sept 15	41.13	11
31 Dec 15	35.32	8
31 Mar 16	38.23	5
30 June 16	28.24	5
Combined		
Yr ending		
30 Sept 15	42.94	46
31 Dec 15	36.24	35
31 Mar 16	37.66	29
30 June 16	40.18	29

Latest Comments –

This chart shows the average number of days sickness absence per City Council employee where the total absence was 20 days or more in the twelve month period ending the 30 June, 31 March, 31 December and 30 September. The data is further analysed between full-time and part-time staff.

For the year ending 30 June 2016, 5 part-time and 24 full-time staff each took 20 days or more sickness in the period.

The total number of days taken as sickness, where the total was 20 days or more per employee was 1,164 days (1,023 by full-time staff and 141 by part-time staff).

The average length of sickness for the year ending 30 June 2016 for both part-time and full-time staff, where the total was 20 days or more is 40.14 days.

Analysis of Sickness Absence by Reason (12 month rolling year)
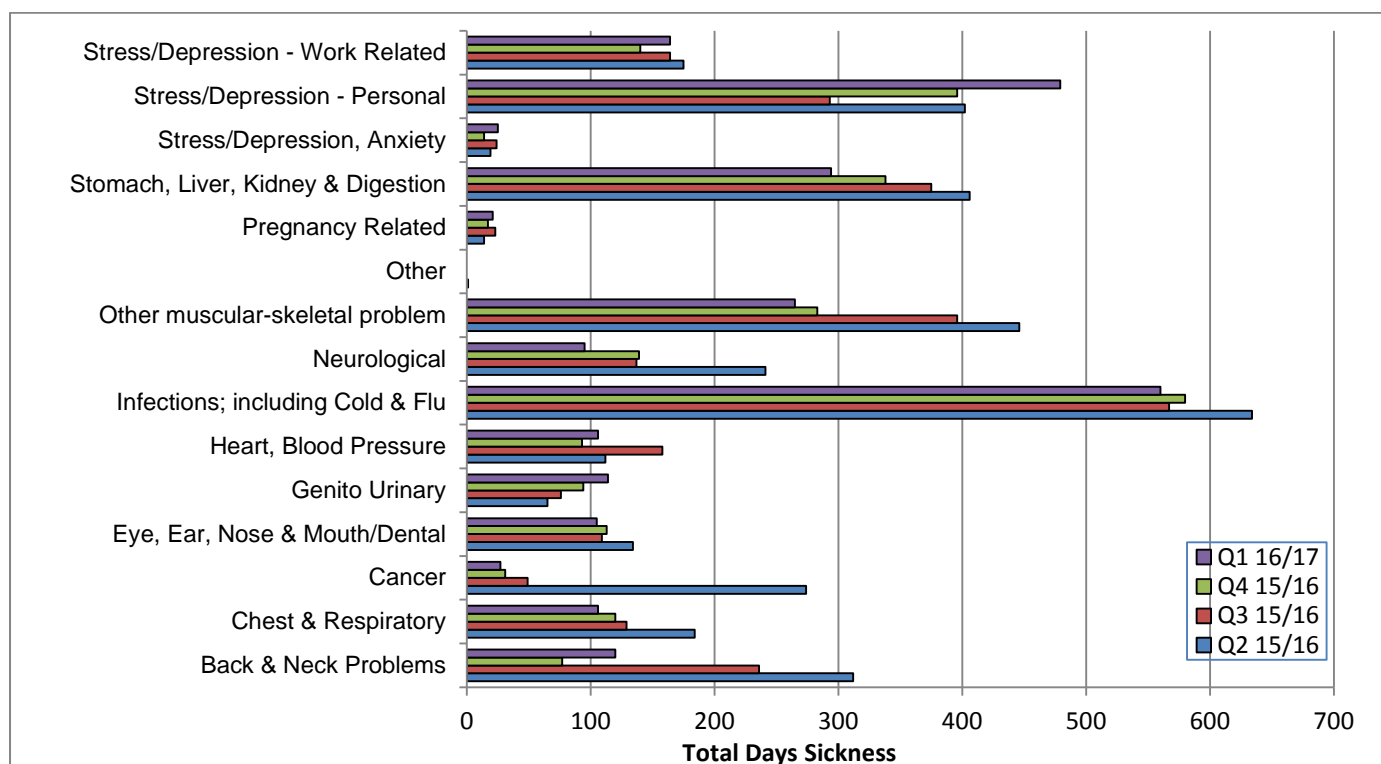
Latest Comment:

The reason for the highest combined of short term and long term sickness absence has in the past been stress and depression for personal reasons. This remains to be the case and the figure referred to above relates to a small number of individuals who have experienced extreme personal circumstances during the reporting period. The absence has been managed through HR Business Partners working closely with Heads of Teams. Human Resources ensure that those absent with stress related absence are referred to Occupational Health early for support. They are also reminded of the support available to them through the Counselling Service and from time to time, other therapeutic services are engaged on a case by case basis where more specific support is deemed appropriate by the Occupational Health Consultant. This allows Human Resources to ensure that appropriate support is available to the individual.

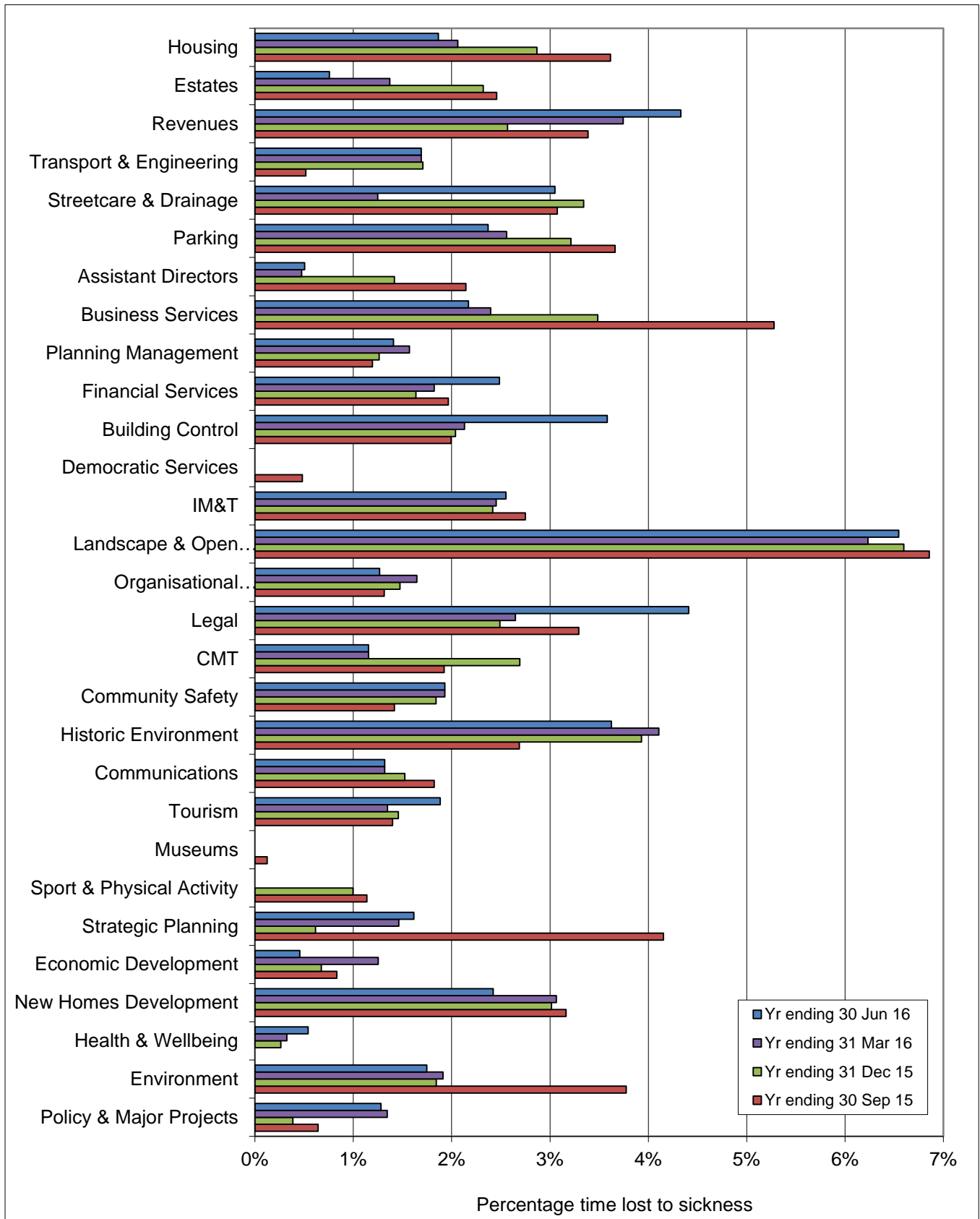| All Sickness by Absence Reason (Days)					
Reason Summary	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17
Back & Neck Problems	387	312	236	77	120
Cancer	495	274	49	31	27
Chest & Respiratory; incl. Chest Infection	185	184	129	120	106
Eye, Ear, Nose & Mouth/Dental	82	134	109	113	105
Genito Urinary; inc Menstrual Problems	89	65	76	94	114
Heart, Blood Pressure & Circulation	230	112	158	93	106
Infections; including Cold & Flu	636	634	567	580	560
Neurological; inc Headaches & Migraine	283	241	137	139	95
Other musculo-skeletal problem	449	446	396	283	265
Other	1	1	0	0	0
Pregnancy Related	15	14	23	17	21
Stomach, Liver, Kidney & Digestion	391	406	375	338	294
Stress - cause unknown	37	19	24	14	25
Stress/Depression - Personal	463	402	293	396	479
Stress/Depression - Work Related	200	175	164	140	164

Sickness Absence – further information

The chart below gives details of the total number of sickness days absence by team as a percentage of total available days for the 12 month period ending 30 June 2016. By way of a comparison the figures for the twelve month period ending 31 March 2016, 31 December 2015 and 30 September 2015 have also been included. The total number of days available per member of staff does not take account of public holidays or annual leave entitlement
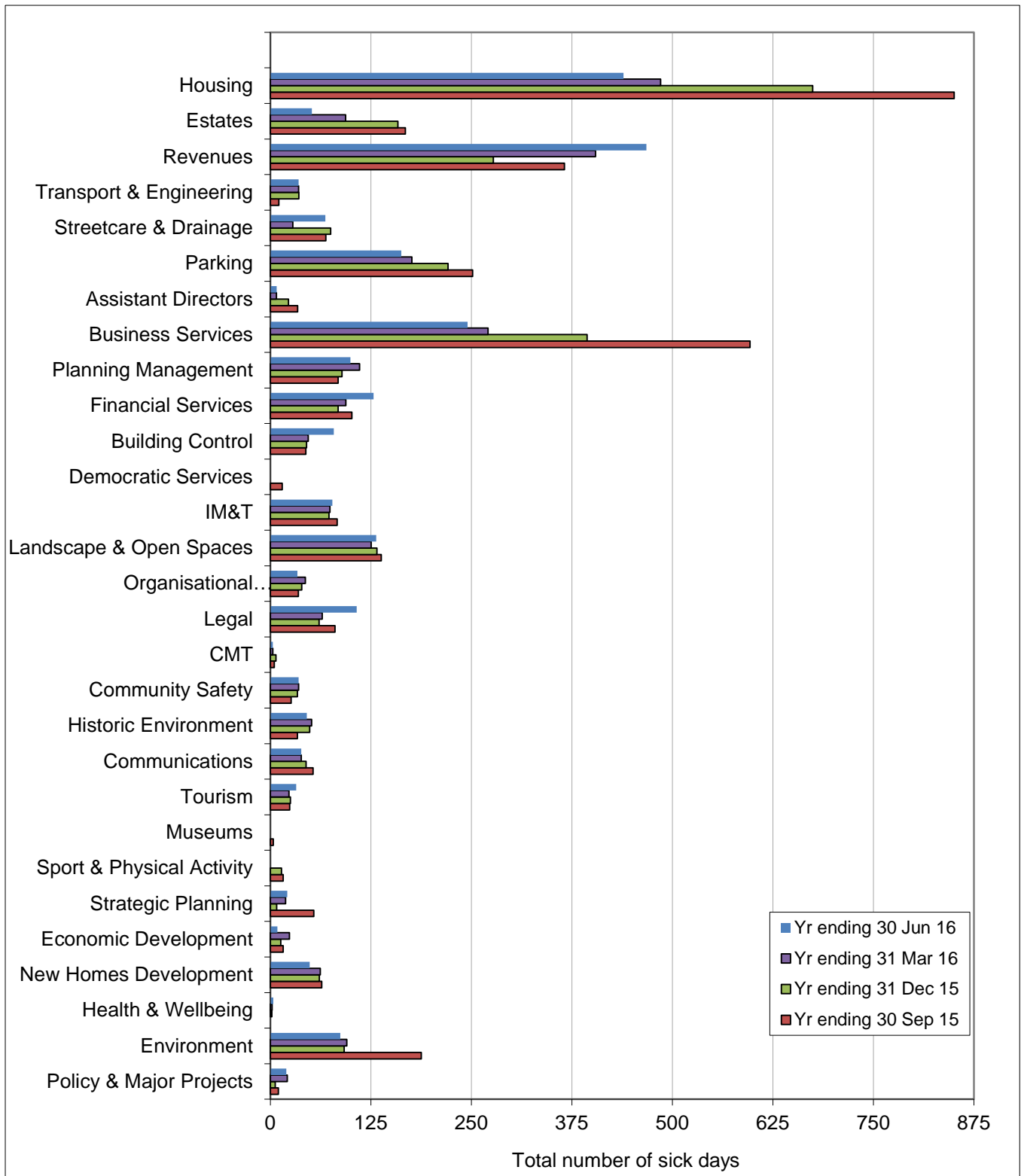
The following chart gives details of the total number of sickness days by team for the 12 month period ending 30 June 2016. By way of a comparison the figures for the twelve month period ending 31 March 2016, 31 December and 30 September 2015 have also been included.

Percentage time lost to sickness

Legend:
- Yr ending 30 Jun 16
- Yr ending 31 Mar 16
- Yr ending 31 Dec 15
- Yr ending 30 Sep 15

Organisational Development Risk Register

At this Committee's last meeting on 21 June 2016, the Members requested that future Organisational Development Performance Monitoring Reports should include a covering page to identify the areas of high risk, the scale and nature of the risk and the potential impact on the authority and the mitigation measures that were being taken to address it.

Officers have reviewed the significant risks that could impact on the Council's staff resources, adopting the principles and methodology that are included in the Risk Policy 2016. The table below provides details of those significant risks:

Risk Summary - What might go Wrong	What will happen - Consequence	Controls in Place - Mitigation	Likelihood Score	Impact Score
Loss of key staff and/or critical skills	• Objectives and targets not met • Impact on ability to provide efficient and effective service • Increase in use of temporary and/or agency staff • Increase in complaints from service users • Impact on existing staff to cover essential areas	• 1-Team process • Succession Planning • Use of interim staff where impact on business is critical	Unlikely	Moderate
Inability to recruit to key posts	• Objectives and targets not met • Impact on ability to provide efficient and effective service • Increase in use of temporary and/or agency staff • Increase in complaints from service users • Impact on existing staff to cover essential areas	• Partnership working arrangements in place with other authorities • HR Business Partners holding regular meetings with Heads of Service to plan recruitment • Access to shared recruitment portal with other Hampshire authorities • Bespoke recruitment programmes for "difficult to recruit" to posts	Likely	Moderate

Risk Summary - What might go Wrong	What will happen - Consequence	Controls in Place - Mitigation	Likelihood Score	Impact Score
Critical System Failure	• Inability to run Payroll • Loss of confidential staffing data	• IM&T managed Business Continuity Plan and Disaster Recovery Plan in place	Unlikely	Major
Failure to comply with statutory requirements	• Litigation • Adverse publicity • Damage to Council reputation • Additional Cost to the authority in longer term	• Policy & Procedures in place which reflect statutory requirements • Continued Professional Development (CPD) for HR staff	Unlikely	Moderate

Likelihood Rating

It is unlikely that in many cases the probability of a risk occurring can be calculated in a statistically robust fashion as we do not have the data to do so. However, as an indicator, the likelihood is defined by the following probability of a risk occurring:

Likelihood	Probability
Highly Unlikely	1% to 25% chance in 5 years
Unlikely	26% to 50% chance in 5 years
Likely	51% to 75% chance in 5 years
Highly Likely	76% to 100% chance in 5 years

Impact Rating

The impact for the risks is evaluated across a number of criteria including Financial Risk, Health and Safety, Reputation and Service Provision as set out in the Council's Risk Management Policy.

A copy of the Risk Rating Card that is included in the Risk Management Policy is provided on the following page.

Risk Rating Card

	Low (1)	Moderate (2)	Major (3)	Significant (4)
Financial	Less than £20K	£20k or over and less than £200K	£200K or over and less than- £2MK	£2M plus
Service Provision	No effect	Slightly Reduced	Service Suspended Short Term / reduced	Service Suspended Long Term Statutory duties not delivered
Health & Safety	Sticking Plaster / first aider	Broken bones/illness Lost time, accident or occupational ill health	Loss of Life/Major illness – Major injury incl broken limbs/hospital admittance. Major ill health	Major loss of life/Large scale major illness
Morale		Some hostile relationship and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention / minor letters	Adverse Local media Leader	Adverse National publicity	Remembered for years
Government relations	One off single complaint	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently