

REPORT TITLE: - WORKFORCE REPORT 2022/23

20 JULY 2023

REPORT OF CABINET MEMBER: Cllr Neil Cutler Cabinet Member for Finance and Performance

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WARD(S): ALL

PURPOSE

To provide an overview of the workforce of the Council and a summary of key HR activities for the year ending 31 March 2023.

RECOMMENDATIONS:

1. That the report be noted.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 The performance of the Council's workforce is critical to the delivery of all outcomes set out in the Council Plan.

### 2 FINANCIAL IMPLICATIONS

- 2.1 Maintaining staffing levels and having the right staff with the right skills is critical to the delivery of the council's services and priorities. Financial implications of the workforce matters covered in this report include: the cost of recruiting and inducting new joiners; the use of agency staff for difficult to fill essential vacancies; sickness absence; and, investment in learning and development.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

### 4 WORKFORCE IMPLICATIONS

- 4.1 Employees are critical to the delivery of the council's services and priorities and monitoring and reporting on key employment metrics enables proactive employment practises.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 This report is for information only and therefore no consultation or communication is required.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

### 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 There is no differential impact on a specified group as all HR matters are applied consistently.
- 8.2 As required nationally, the council reports on any potential discrepancies in pay, based on gender ("Gender Pay Gap" reporting) in accordance with the statutory timeframe.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 This report does not include any confidential data and therefore a data protection impact assessment is not required.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure <i>Failure to apply pay principles and rules fairly and consistently leading to discrimination and/or legal challenge.</i>	Consistent application of pay principles and rules.	Positioning the council as an Employer of Choice.
Exposure to challenge <i>Failure to comply with statutory reporting requirements, resulting in adverse local media coverage or legal challenge.</i>	Statutory reporting is embedded within HR's annual work programme, and within the committee work programme where appropriate, to ensure publication within statutory timeframes.	
Reputation <i>Failure to deliver public services and the Council Plan due to reduced workforce capacity, leading to public criticism and/or adverse local media coverage.</i>	Ongoing workforce monitoring to enable early identification and remedial action where recruitment difficulties and/or high sickness levels could impact on the Council's ability to deliver public services and the Council Plan.	

## 11 SUPPORTING INFORMATION:

11.1 The purpose of this report is to provide the Audit and Governance Committee with an overview of the workforce of the Council and a summary of key HR activities for the year 1 April 2022 to 31 March 2023.

11.2 This is the third workforce report to be considered by the Audit and Governance Committee since it assumed responsibility for the human resources functions of the Council from the former Personnel Committee.

11.3 Appendix 1 provides a range of indicators supporting the report commentary relating to:

- (i) the Council's staff establishment
- (ii) recruitment and turnover
- (iii) sickness absence
- (iv) equality

Tables, charts and graphs in Appendix 1 are as at 31 March 2023 unless stated otherwise and have been extracted from the Council's Access HR system and separate monitoring records. For ease of reference, the equivalent 2022 data is shown in red.

#### **The Council's staff establishment**

11.4 As at 31 March 2023, the Council employed 445 (431) permanent and fixed-term staff. This was an increase of 3.2% (1.1%) of headcount compared to March 2022.

11.5 Staff numbers by headcount and Full-Time Equivalent (FTE), distribution by grade and contract type metrics are provided in Appendix 1. Headcount is the actual number of staff employed by the council whereas FTE is the total number of hours worked by all staff (headcount) divided by the standard working week of 37 hours.

#### **Recruitment and turnover**

11.6 There were 79 (60) external appointments, made up of 57 (44) permanent employees and 22 (16) employees (including 1 apprentice) on fixed-term contracts.

11.7 There were 69 (60) leavers (56 (46) permanent employees and 13 (14) employees on fixed-term contracts). Reasons for leaving are shown in Appendix 1.

11.8 Staff who both started and left within the same year are included in the figures above.

11.9 Total annual turnover (i.e. employees leaving the Council for all reasons) was 16.7% as compared to 14.5% in 2021/22.

11.10 The average length of service was 9 years and 11 months (10 years).

11.11 Succession/workforce planning is managed through the annual service planning cycle.

- 11.12 Learning and development and discretionary employee benefits in addition to salary are key 'weapons' in an organisation's ability to recruit and retain staff.
- 11.13 Learning and development is actively encouraged and supported by the Council. Apprenticeships and the National Graduate Schemes offers entry level to local government and provides for a structured 'on-the-job' learning programme leading to a recognised qualification.
- 11.14 Continuing professional development, including 'upskilling' apprenticeships for existing staff, ensures staff have the right skills to do their jobs, provides for future service needs and provides and enables progression within the organisation. HR manages and co-ordinates organisational and services training priorities through the annual learning and development planning process.
- 11.15 1 x full-time apprenticeship, 2 x degree apprenticeships and 3 upskilling apprenticeships are currently in place across different services and the Council continues to explore ways to extend apprenticeship opportunities.
- 11.16 An organisation's benefits strategy has the potential to drive the employee experience, enhance the total reward package on offer to staff and be a market differentiator, impacting on an organisation's ability to recruit and retain staff. The employee benefits offered at WCC, in addition to salary, are listed below (N.B. the actual amount of annual leave depends on grade and previous local government service and is set out in the contract of employment):
- Employer paid health care cash plan scheme.
  - Cycle to Work and Green Car Benefit salary sacrifice schemes.
  - Up to 32 days annual leave per year (more than the Green Book minimum).
  - Flexible working arrangements.
  - Hybrid Working Policy allowing most employees to work from home for up to 50% of their working hours.
  - Up to 13 days additional flexi leave per year (subject to operational requirements) where the employee has built up enough hours.
  - 3 days (pro-rata for part-time staff) paid leave to carry out volunteering within the district.
  - Option to voluntarily buy up to five days additional annual leave.
  - Free park and ride scheme for all employees.
  - Membership of the Local Government Pension Scheme.
  - Confidential Employee Advice and Support Programme.
  - Employee retail and shopping discounts.
  - Season Ticket loans.
  - Excellent central location.

- Support for continuous professional development.

### **Sickness absence**

- 11.17 Sickness absence continues to be closely monitored. Reports on sickness absence and completion of return to work interviews are reviewed with the Strategic Directors on a quarterly basis.
- 11.18 The average number of days of sickness per employee rose slightly to 6.82 days from 6.76 days in 2021/22. The 2022/23 absence figures represent a fall from pre-pandemic levels of 7.51 days in 2019/20.
- 11.19 The current rates are below the average sickness rate for the public sector of 7.7 days per employee in 2022 as reported by the ONS.
- 11.20 The pandemic had caused a swing towards a higher proportion of long term sickness (20 days or more) vs short term sickness in 2020/21, due to less seasonal illness and home working enabling continued productivity with minor ailments. 2021/22 saw a reversal of this trend and which continued into 2022/23, returning to typical pre-pandemic levels. This was also reflected in the reasons for absence, with the historically common absence reason of 'Infections including cold and flu' rising to be once again the most common sickness reasons recorded for the year.
- 11.21 Sickness rates relating to COVID 19 have reduced to 12.31% from last year's 13.48% with rates generally stabilising after their peak in March 2022. The average length of time per COVID-19 sickness has also reduced and subsequently flattened and is most likely due to new strains circulating causing typically milder symptoms.
- 11.22 'Mental health – Personal' has fallen to second place of the most common sickness absence reasons in 22/23 after holding the top spot for many years. It accounts for just 12.57% of all sickness absences across the year, nearly half of last year's figure of 24.25%.

This is indicative of a wider downward trend in mental health related absences when mental health for all reasons (personal, work and reason not stated) are combined. Historically they have typically accounted for about 1/3 of all sickness yet it accounted for only 20.56% of sickness absence in 22/23, a significant decrease of 16.44% from last year.

- 11.23 It can be supposed the downward trend in mental health related absences is due to a number of reasons e.g. life continuing to return to normal following the pandemic, increased social interactions resulting in less social isolation

and hybrid working leading to a better work life balance. Whilst the downward trend is in line with those reported by the ONS, continuing mental health initiatives implemented by HR may have also contributed to such a significant decrease. Initiatives include mental health first aiders, an externally provided counselling service and an Employee Assistance Programme via the corporate health plan.

- 11.24 Cancer and surgery are new entries into the top 5 sickness reasons, which is not surprising given the delays COVID-19 caused to both cancer diagnoses and surgeries. It is worth noting that sickness absences due to cancer are only attributable to a handful of employees, but these absences tended to be long term.
- 11.25 HR continues to support managers to manage sickness absence within their teams, including referral to an external occupational health provider as required.
- 11.26 A revised absence management policy was published in May 2022 and 29 managers attended sickness absence management workshops run by HR in the autumn of that year.

### **Equality**

- 11.27 The gender profile for all of the public sector shifted considerably in 2022 in favour of women (74.4% female and 25.5% male December 22 (ONS Quarterly Public Sector Employment Survey) compared to 65% female and 35% male January- March 2022 (EMP13: Employment By Industry)). In contrast, the Council's gender profile has remained relatively stable at 61% female and 39% male March 2023 (62% female and 38% male March 2022).
- 11.28 The Council reported a 13.9% median gender pay gap as at the snapshot date of 31 March 2023, a reduction from 15.5% as at the previous year's snapshot date of 31 March 2022. The gender pay gap is the difference between the average earnings of men and women across an organisation. Median average percentages are the way the government reports on gender pay gap data across the economy.
- 11.29 The Council is confident a gender pay gap is not an indicator of equal pay issues. However, it is also not complacent about the issue. Whilst the Council already has in place many of the employment practises widely reported as effective in reducing the gender pay gap (e.g. flexible working practises, family leave policies), HR will continue to keep abreast of best practice and; monitor employment and reward policies and practises to ensure they continue to provide equal recruitment, appointment and pay and

progression opportunities for all staff, irrespective of their gender (or any other protected characteristic); champion initiatives which support women's appointments and career development; and, explore and maximise opportunities to extend its recruitment reach across all sectors of the community it serves.

- 11.30 Employees are encouraged to update their ethnicity and disability status, which is disclosed on a voluntary basis, to facilitate equality monitoring and reporting. Ethnicity data for the 38% of staff who have disclosed their ethnicity as at 31 March 2023 is included in Appendix 1.
- 11.31 It is not possible in this report to publish meaningful analysis from the disability data available as it could possibly result in the identification of individual employees.

### **HR Update**

- 11.32 As approved by Full Council on 23 February 2023 as part of the full budget papers for 23/24, the council implemented a new pay and grading structure for all grades from 1 April 23. This involved deleting the bottom scale point and adding an extra scale point to the top of each grade, with minor variations at some grades.

As well as leading the redesign of the grading structure, HR managed the assimilation process and communicating the changes to staff.

By improving the council's position within the employment market and being able to offer higher and more competitive entry salaries and more headroom for salary progression, the new pay structure should aid recruitment and retention.

- 11.33 Following an accepted recommendation to ELB of the A&G Workforce Matter Task & Finish sub-group which met early 2022, HR led a review of the Council's performance appraisal process and the form used for recording appraisal discussions. As a result of this, recording of appraisals in the council's learning management system was replaced with a simpler, user-friendly downloadable form which can be used to aid and record manager/employee performance discussions. By simplifying the process, focus is brought back to the importance, value and quality of the appraisal discussion itself.

The form focuses on targets for the following 12 months which link to service plans and the Council Plan. It also includes sections to encourage learning and development and wellbeing discussions.



Support for managers is available through accompanying guidance notes and training is available from HR.

- 11.34 With effect from 1 September 2022, the council introduced a hybrid operating model (hybrid working is the term used to describe a blend of in office and home working). With the exception of some job roles and those on home working contracts, staff are required to attend the office every week and manage their hours flexibly to work a minimum of 50% of their contracted hours in the office (N.B. staff are free to choose to work more than 50% of their time in the office and no member of staff is forced to work from home). This was considered the optimum approach for balancing the council's need to deliver the best possible outcomes and services for residents, service users, customers and stakeholders with feedback from staff surveys showing the majority of staff would prefer to continue with the home working arrangements introduced during the pandemic for most or some of the time, with work-life balance the primary reason cited.

HR led on the implementation of hybrid working and published the Hybrid Working Policy which sets out the principles and rules governing office and home working arrangements and includes areas such as on-line meeting protocols, home to work travelling, data security and health & safety.

- 11.35 A two year framework contract, with two year extension option, was awarded to Cordell Health UK for Occupational Health (OH) Services following a joint quotation process with Test Valley Council.

Occupational Health services can extend to anything that relates to the interaction of health and work; how work can affect health and vice versa, and keeping people healthy and well at work, both physically and mentally. OH give staff and managers rapid access to professional specialist advice which will help protect, maintain and support employees with health issues in the workplace and in turn help to increase productivity and reduce absence.

- 11.36 The employer paid health plan is a key employee benefit in the employment package on offer to council employees. By providing cash back on a range of everyday healthcare, a health plan encourages staff to proactively manage their health and can aid a quicker return to work following illness/injury. Feedback from employee's shows this is a highly valued benefit.

Operating on an opt-in basis, the council pays for entry level cover for eligible employees who voluntarily chose to enrol on to the scheme. The health plan also provides an inclusive Employee Assistance Programme and online

wellbeing resources which are available to all employees whether they are enrolled on the health plan or not. Children under the age of 18 (or 24 if in full-time education) can be added free of charge and employees can voluntarily elect and personally pay to upgrade their level of cover and/or to add a partner.

HR has secured a further 12 month contract with the council's chosen provider, UK Healthcare, at a no cost/premium increase.

- 11.37 HR have organised for the second year an employee attitude survey to find out how employees feel about various aspects of their working lives at the council and to inform senior managers and elected members how engaged employees are with their work and the Council as a whole. The survey is due to close on 7 July and the survey results will be discussed with ELB and Members (details to be discussed at A&G on 28<sup>th</sup> September 2023). Running the survey every year enables the analysis and identification of trends over time.
- 11.38 Under the sponsorship of the Service Lead for HR, the council became an Age Friendly Pledge employer. The Age Friendly Pledge is a nationwide programme, run by the charity Centre for Ageing Better, aimed at recognising the importance and value of older workers by improving the recruitment, retention and development of workers over the age of 50.
- 11.39 HR continues to deliver a variety of on-line and workplace resources to support staff wellbeing and mental health.
- 11.40 HR continues to review and update HR policies. In addition to the Hybrid Working Policy previously considered in this report, HR has published over the past year a revised Absence Management Policy, Disciplinary Policy and Procedure, Grievance Procedure, Long Service Recognition Policy, Recruitment and Selection Policy, a Death in Service guide for managers and a checklist of 'Dos and Don'ts for work experience placements and volunteers.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 This report is for information only. No decisions are required therefore consideration of other options was not required.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

AG63 Workforce Report 2020/21 11 November 2021

AG079 Workforce Report 2021/22 29 June 2022

AG085 Update on employee attitude survey and related matters 10 November 2022

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Workforce Report 2022/23 Data

## Appendix 1

### Workforce Report 2022/23 Data

#### Establishment

Table 1 – Staff numbers by headcount and Full-time Equivalent (FTE)

	Headcount	% increase	FTE	% increase
<b>March 2022</b>	431	+3.2%	389.28	4.1%
<b>March 2023</b>	445		405.34	

Table 2 – Headcount of staff by grade

Pay Grade	Headcount
<b>Apprentice Scale 3</b>	1
<b>Degree Apprentice Scale 4</b>	1
<b>Scale 3</b>	89
<b>Scale 4</b>	117
<b>Scale 5</b>	92
<b>Scale 6</b>	78
<b>Scale 7</b>	22
<b>Scale 8</b>	24
<b>Scale 9</b>	8
<b>Scale 10</b>	8
<b>Scale 12</b>	4
<b>Chief Executive</b>	1
<b>Total</b>	445

Table 3 – Contract Type

<b>Full time (37 hours)</b>	76%
<b>Part-time</b>	24%
<b>Permanent contract</b>	92%
<b>Fixed-term contract</b>	8%

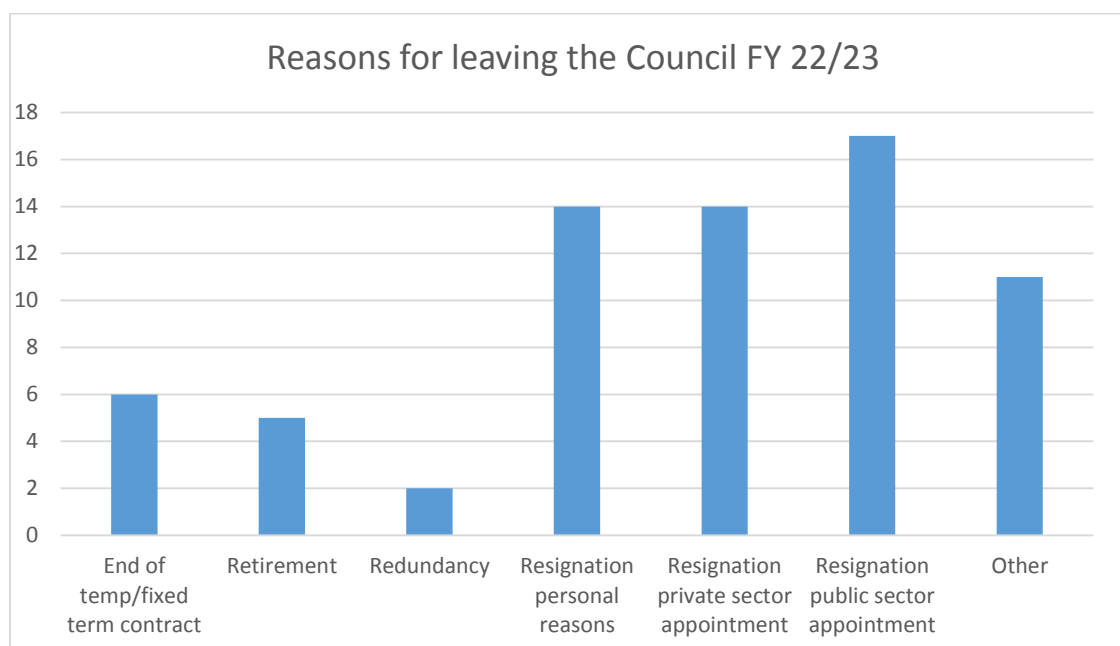
## Sickness

Table 4 - Top 5 sickness absence reasons (averaged over April 22 – March 23)

Sickness Reason	Percentage of total annual sickness	Previous Year's ranking (out of 20)	Direction of travel
Infections incl cold and flu	13.87%	5	↑
Mental Health – personal	12.57%	1	↓
COVID-19 Coronavirus	12.31%	2	↓
Surgery related	9.76%	9	↑
Cancer	8.74%	7	↑

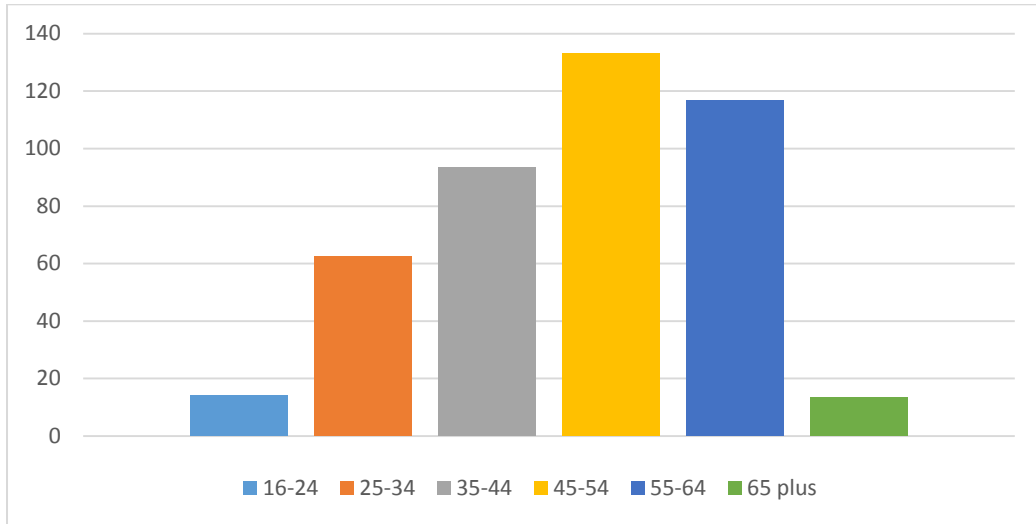
## Recruitment and Turnover

Table 5 – Reasons for leaving the Council

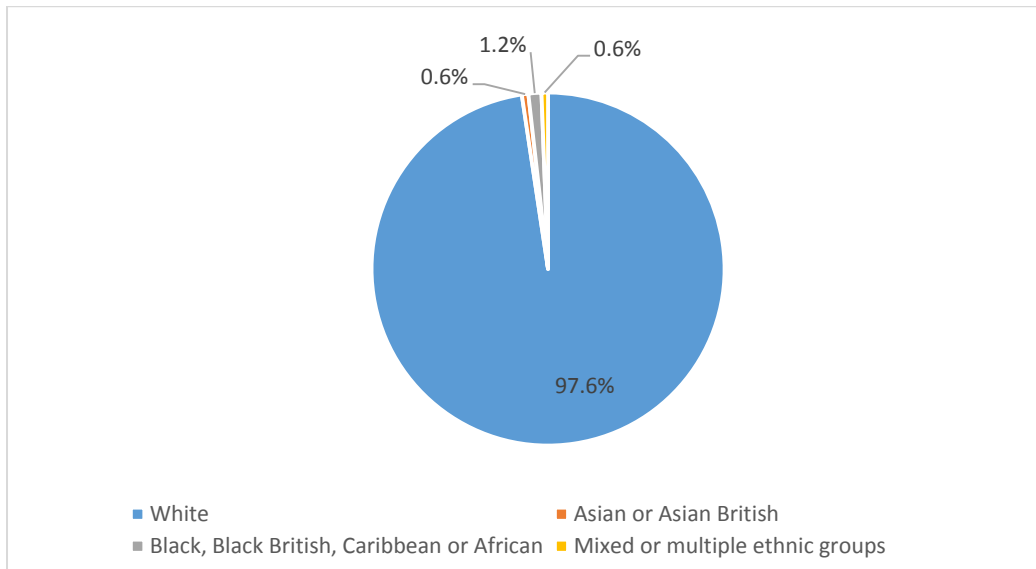


**Equality**

**Table 6 – Age profile** (averaged over the 12 months)



**Table 7 – Ethnicity profile**



It should be noted that the categories used in Table 7 have changed from last year’s workforce report as these new definitions align more closely with the current ethnicity profile of the workforce and better reflect government reporting description guidelines.