

# **AUDIT AND RESOURCES COMMITTEE**

**Tuesday, 7 March 2023**

## **UPDATE ON STAFFING MATTERS 2022**

### **Report of the Head of Human Resources**

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#### **Recommendation**

**It is recommended that the Audit and Resources Committee considers the contents of this report and make recommendations as it feels necessary.**

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#### **Summary**

This report provides a summary of the key workforce data and analysis over the last 12 months together with an update on the People Strategy.

#### **Statutory Powers**

**LOCAL GOVERNMENT ACT 1972 - SECTION 111 / 112**

#### **Strategic Implications**

1. This report provides key data, analysis and updates on the Council's workforce and people management practices. The Council recognises the importance of recruiting, developing and retaining a skilled and motivated workforce so it can continue to deliver good quality services and achieve its aspirations. The Council also needs to ensure that it is engaging with its workforce in a way that promotes continuous improvement, innovation and commercial success whilst fulfilling its statutory obligations.

#### **Introduction**

2. This report covers the 12-month period to 31 December 2022. It is important to mention a number of significant events impacting the Council and its work priorities. These include the appointment of James Strachan as the new Chief Executive following the retirement of Nick Tustian, the Ukraine invasion in February 2022, the increased cost of living arising from the sharp rise in energy costs, high inflation including pay inflation and rising interest rates. The national economic picture has contributed to a significantly more difficult financial outlook for the Council. These events have meant that a lot of HR capacity was allocated in 2022 to support the Leader of Council with the recruitment of a new Chief Executive and supporting the organisation in working towards achieving

our financial savings target due to the global economic impact resulting in several organisational restructures.

3. This report has been enhanced compared to previous years to reflect feedback received at last year's Audit and Resources Committee with additional data and graphics included.

### **Future Ways of Working**

4. A large section of Eastleigh Borough Councils (EBC) workforce has continued to work in a hybrid manner since the pandemic (March 2020), with many largely home-based, whilst our customer-facing front line services have continued to attend the workplace daily. As part of a six-month trial that commenced in June 2022, office staff worked a minimum of one day each week at a work location other than their home. Predominantly this was from Eastleigh House or other EBC workplace.
5. For most office staff, Eastleigh House is their base but there is flexibility to work elsewhere if this satisfies the business need. The aim of the trial was to improve collaboration whilst embracing the benefits of hybrid working and flexibility. The project team has been regularly reviewing the arrangements with various staff surveys and establishing how the proposed future ways of working influence the Council's effectiveness in delivering all corporate priorities. For example, in relation to the Green Borough theme, decisions can have a direct impact upon climate and environmental change. With more staff working from home, congestion and the associated pollution caused by staff travelling by car would reduce. Further, this improves the overall environment and air quality and is a consideration for any future working patterns. This project also seeks to help with the Prosperous Place corporate theme by reinvigorating town and local centres by permitting staff to use coffee shops and other facilities to conduct their work where appropriate.
6. The trial ended in December 2022. An online survey seeking staff views on the hybrid working model was undertaken. 201 staff responded to the survey with the highest proportion coming from Customer Care Executive area. In summary the results of the survey were as follows:
  - 52% of staff had reported working from a work location one day per week
  - 47% of staff reported working from a work location for between 2 to 5 days per week
  - Wednesday was the most popular day staff attended a work location other than their home, followed by Tuesday with Friday being the least popular
  - Colleagues attended on a given day due to other colleagues being present in the workplace and this was driven by the need to attend specific meetings or use equipment
  - Key benefits of working from a work location were the ability to share ideas with colleagues and social interaction

- Some negatives of working from the office were highlighted including the cost of commuting and reduced productivity
  - 87% of staff responded positively to the suggestion of continuing to work in a hybrid way
  - Positives of working from home were increased focus, increased flexibility and greater work life balance but colleagues also mentioned that it can be isolating, decreases opportunities to learn and makes building personal relationships more challenging.
7. In summary, it is clear that staff greatly value the opportunity to split their work between home and the workplace where business needs allow highlighting a range of benefits in terms of efficiency, flexibility and wellbeing. However, the advantages of working together in a team in the office with opportunities to collaborate, seek support and advice are also valued.
8. Based on the feedback it was agreed office staff will be required to work from an EBC workplace a minimum of one day each week and offer the flexibility to work from home or other suitable alternative location for up to four days a week, subject to business need effective from 1 April 2023. As a result, the Hybrid Policy was redrafted and agreed with the Unions, with no requirement to change contracts of employment. Working with the Equalities Focus Group the project team have also updated the equalities impact assessment. In addition, the following set of proposals were also agreed and will be implemented where possible by 1 April 2023:
- The first floor at Eastleigh House (not including the meeting rooms) will be closed to Council staff with the aim of renting to external organisations, along with the vacant space on the fourth floor
  - The spacing between workstations will be reduced to pre-Covid levels, with more IT equipment installed allowing colleagues to work more collaboratively
  - A social committee will be launched to further establish the #TeamEBC social culture.

### **Key Workforce Data**

**9. Total number of staff as at 31 December 2022**

- Total head count: 543 (562 Dec 2021)
- Fixed term headcount: 38 (57 Dec 2021)
- Permanent full time equivalent (FTE): 489.98 (507.03 Dec 2021)
- Casual employees 70 (64 Dec 2021)

10. There has been a slight reduction in our total headcount in the past year. There is no specific area where this is accounted for and it is spread across a number

of areas including Environment, Planning & Economy Organisational Development and Customer Care.

11. There has also been a reduction in fixed term contract posts due to the need to make savings. This has been the first approach in our key considerations in assisting towards meeting our financial savings target.
12. There has been a slight increase in the use of casual staff however. It is important to note that the majority of the casual employees engaged by the Council work at The Point/Berry Theatres and Itchen Valley Country Park Woodland Café. Due to the seasonal nature of these venues, there will continue to be some requirement to use casual staff to manage peaks and troughs in visitor numbers throughout the year.

### **Turnover**

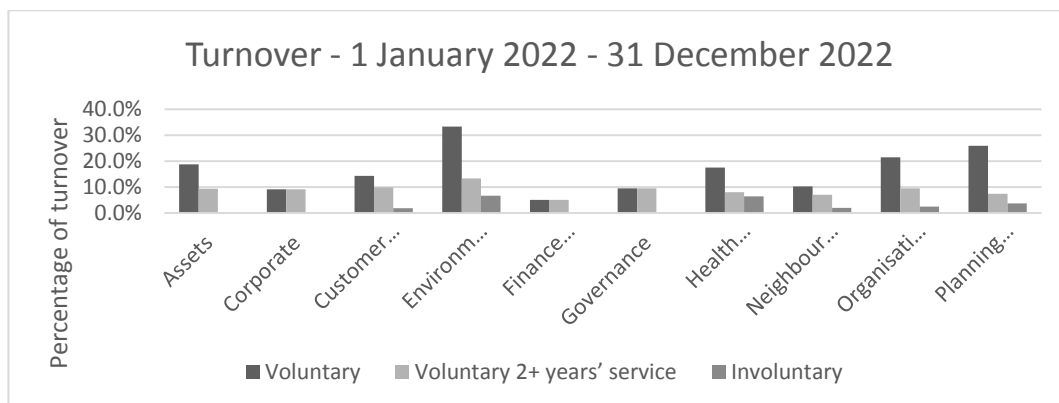
13. Employee turnover refers to the percentage of employees who leave the organisation and are replaced by new employees. Whilst some turnover is healthy, if turnover is too high there is an increased adverse impact on costs, stability, training requirements, knowledge and management time.

Overall Turnover (1 Jan 2022 – 31 December 2022)	
Voluntary	14.9%
Voluntary Over two years' service	8.5%
Involuntary	2.2%

14. The voluntary turnover rate for those who have resigned was 14.9% in 2022 compared to 14.8% in 2021. If involuntary leavers are included, this rate is 17.1%. Involuntary leavers refers to those who have left for reasons such as redundancy, end of fixed term contract or by dismissal for any reason. The majority of voluntary turnover is amongst staff with over two years' service. The average years of service for voluntary leavers was seven years and involuntary was nine years.
15. Turnover rates in the UK historically average around 15%. The latest data from Xpert HR which is based on data from a survey taken in 2022 showed around one in six employees (16.4%) nationally resigned from their roles in 2022. This is a noticeable increase from the 9.6% voluntary resignation rate for 2021. The total labour turnover rate was 22.5% in 2022, again higher than the 14.6% recorded in 2021.
16. In comparison, the average public sector turnover rate is 16.2% according to XpertHR/Survey analysis (published 1 February 2023).
17. The voluntary resignation rate and the total labour turnover rate have increased markedly over the past few years, something not unexpected given the effects of

the pandemic and then the tight labour market making it an employees' market and organisations including Eastleigh Borough Council are still seeing the rippling effects of “The Great Resignation” (also known as “the big quit”). This is an economic trend that began in early 2021 and describes the phenomenon where record numbers of employees leave their jobs having re-evaluated their careers. Organisations are faced with having to navigate the ripple effects of the pandemic and re-evaluate options to retain talent. The job market is exceptionally buoyant and employers are seeing the strain of high volumes of vacancies and supply of resources not meeting demand. Eastleigh is not alone in finding it increasingly difficult to recruit in some service areas and our turnover rates have remained similar to last year. In the most recent LGA workforce survey (2022), 94% of councils stated that they were having difficulties with recruitment and retention.

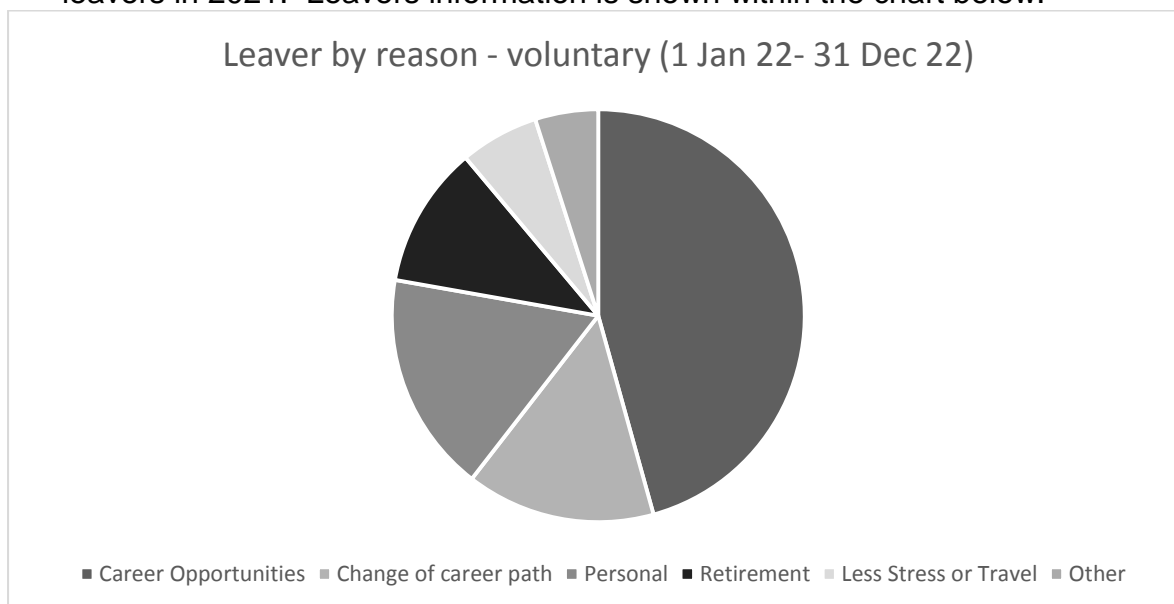
18. The Office for National Statistics (ONS) reported that in August to October 2022, the estimated number of vacancies fell by 46,000 on the quarter to 1,225,000. Despite four consecutive quarterly falls, the number of vacancies remain at historically high levels.
19. The Chartered Institute of Personal and Development (CIPD- Labour Market Outlook 2022) also found that recruitment struggles persist - over half of employers have hard-to-fill vacancies and a third anticipate significant problems in filling roles. Skill shortage vacancies are a particular problem and currently outnumber labour shortages. And those with degree-level or equivalent qualifications are highest in demand. Demonstrating an increased competition for recruiting workforce and retaining staff.
20. The graph below shows our turnover broken down by Executive area in 2022 which confirms the highest turnover is within Environment. Environmental Health practitioners have played a major role during the course of the pandemic to protect people’s health, support businesses and safeguard communities. The Chartered Institute of Environmental Health has confirmed the profession faces a number of existential challenges due to a lack of resources within teams, tightening budgets and difficulties with recruitment of experienced and qualified practitioners. Their 2021 survey found that 9 out of 10 local authorities were using agency staff because of shortages in resources or delays in recruitment. This enforces the patterns and trends the council is facing with the difficulty in retaining and recruiting for such specialist posts.



Turnover statistics (1 Jan 2022 – 31 December 2022) by Executive Area				
	Headcount	Voluntary	Voluntary 2+ years' service	Involuntary
Assets	64	18.8%	9.4%	0.0%
Corporate	22	9.1%	9.1%	0.0%
Customer Care	112	14.3%	9.8%	1.8%
Environment	15	33.3%	13.3%	6.7%
Finance and Housing	20	5.0%	5.0%	0.0%
Governance	21	9.5%	9.5%	0.0%
Health and Wellbeing	63	17.5%	7.9%	6.3%
Neighbourhood Services	157	10.2%	7.0%	1.9%
Organisational Development	42	21.4%	9.5%	2.4%
Planning and Economy	27	25.9%	7.4%	3.7%

### Leavers by Reason

21. For 2022, there were a total of 81 leavers across the Council, compared to 83 leavers in 2021. Leavers information is shown within the chart below:



Leaver by reason - voluntary 01/01/2022- 31/12/2022	Number
Career Opportunities	37
Change of career path	12
Personal	14
Retirement	9
Less Stress or Travel	5
Other	4
<b>Total</b>	<b>81</b>

22. The main reason for leaving was due to career opportunities which amounted to 37 leavers compared to 31 in 2021. This ties in with the ONS results regarding the high increase in job vacancies within the market.
23. The second prime reason for leaving was for personal reasons where there were 14 leavers compared to 16 in 2021. Interestingly the top three reasons for leaving in 2022 are the same as 2021 which are career opportunities, personal reasons and change of career path.

<b>Executive Area</b>	<b>No left due to career opportunities</b>	<b>% of leavers who left due to career opportunities</b>
Assets	9	75%
Corporate	1	50%
Customer Care	4	22%
Environment	4	67%
Finance and Housing	0	0%
Governance	2	100%
Health and Wellbeing	4	27%
Neighbourhood Services	3	16%
Organisational Development	5	50%
Planning and Economy	5	63%
<b>Total</b>	<b>37</b>	<b>46%</b>

24. The above table shows the number of employees who left due to career opportunities. The two executive areas with the highest percentage of leavers due to career opportunities was in Assets and Governance. Most of the leavers within these areas were senior officers and in specialist posts. With it being an employer's market and only limited career progression internally due to the senior nature of their posts we would expect to lose some skilled staff.
25. The Council continues to work to understand the reasons for staff leaving, through our exit interview and questionnaire process. This is not a mandatory process, although the majority of staff are willing to voluntarily engage through either completing a questionnaire and/or attending an interview with a member of the HR team. These interviews and questionnaires give us a valuable insight into the reasons for leaving as well as gauging general satisfaction with Eastleigh Borough Council as an employer. Their feedback is reviewed and considered especially by HR and helps us to formulate and revise our HR policies and practices.
26. The internal apprenticeship programme and the corporate professional qualification initiative (details below) will help to address our aim to "grow our own" talent and offer career development opportunities within the Council.
27. Staff retention is regularly monitored and reported on as a key performance indicator as part of the Corporate Performance framework.

## Workforce Profile as of December 2022

### 28. Gender profile (all employees)

Female = 50% (same as in 2021)

Male = 50% (same as in 2021)



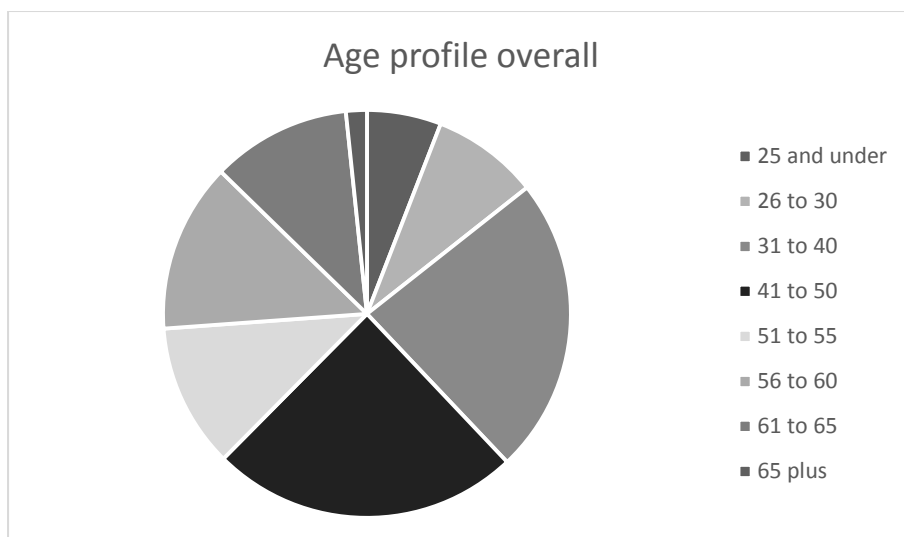
29. The gender split across the Council is very well balanced as it has been in previous years. There is a higher percentage of males compared to females in some of the lower paid roles within the Council, largely due to the demographic within Neighbourhood Services (ie. Waste and StreetScene) operational teams.

30. The Council produces an annual Gender Pay Gap Report for submission to the Government which is posted on the Council's website. The Council has historically shown a positive gender pay gap in favour of female staff which is further evidence of the Council's commitment to equality, fairness and inclusion.

### 31. Age profile

25 and under	= 6%
26 to 30	= 8%
31 to 40	= 24%
41 to 50	= 24%
51 to 55	= 11%
56 to 60	= 13%
61 to 65	= 11%
65 plus	= 2%





32. Further detailed analysis confirms that the Council has 26% of its workforce aged 56 and over. As part of the People Strategy this matter will be considered in terms of creating succession planning strategies.

### 33. Ethnicity Profile (where the data is recorded)

1.8 % - Employees from an ethnic minority background (2.2% in 2021)

The table below shows the ethnicity breakdown for Council employees (where this information is recorded):

	Overall
White British	58.7%
No data	36.1%
White Other	1.8%
White Irish	0.2%
Prefer not to say	1.3%
Asian British Bangladeshi	0.2%
Asian British Indian	0.7%
Mixed Other	0.2%
Black British African	0.2%
Black British Caribbean	0.2%
Mixed White & Black Caribbean	0.2%
Other Ethnic Group	0.2%

34. Employees are encouraged to supply their ethnicity data and are able to enter this information themselves via their personal HR/payroll profile however 36% of employees have decided not to report this data. HR play an active role in the Council's Equalities Focus Group championing equality and diversity and seeking initiatives to attract, support and retain staff from various backgrounds.

**35. Disability Profile (where the data is recorded)**

4% Employees with a disability (4% in 2021)

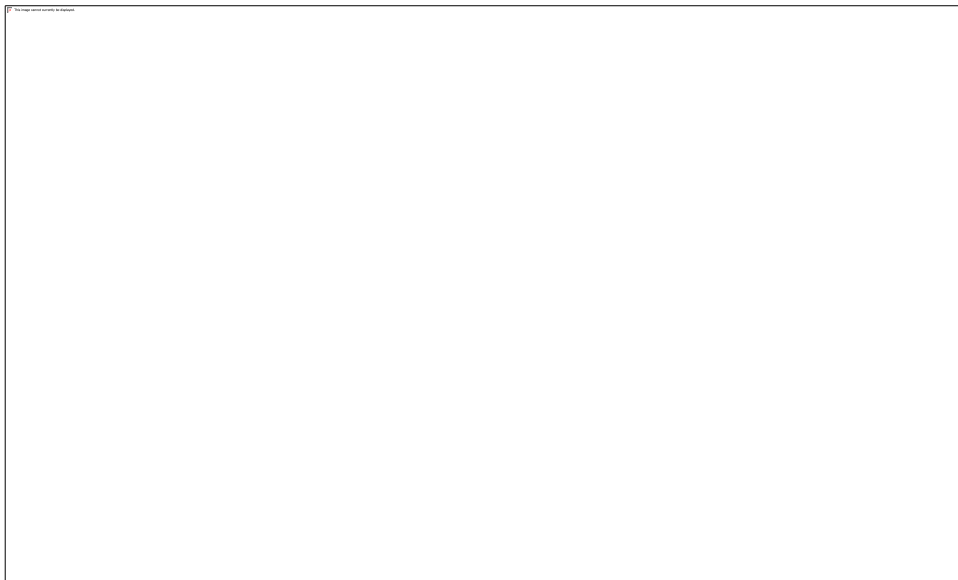
36. The ratio of employees either with a disability, or who have recorded themselves as being from an ethnic minority background within our workforce remains low. The exercise undertaken in 2021 encouraged employees to report and record this data on their personal records and will continue to work to encourage higher reporting of this data.
37. In addition, to improve consideration of equalities in service, project planning and for key decisions, HR has been working closely with the Equalities Focus Group and further staff training has been delivered to support Equalities Impact Assessments, Unconsciousness and Conscious bias training, reviewed questioning techniques for interviews and overall assisted with championing equalities across the organisation.
38. The Council is committed to ensuring our recruitment and employment practices are fair and inclusive. HR has delivered recruitment training to managers outlining key processes and changes to our recruitment module within our HR/Payroll system and obligations during the recruitment process in terms of equality and diversity.
39. The Council has achieved ‘Disability Confident’ accreditation and continues to offer a guaranteed interview to candidates with a disability who meet the minimum essential criteria for any role that they apply for.
40. The Council is also continuing to support the publication “Living with Disability” through taking out an advert. The magazine informs disabled people, their families and friends on how to access available products and opportunities and helps to raise our profile as a Disability Confident employer to its readership. Hybrid working practices will also help with attracting a more diverse workforce.

**Sickness Absence Data**

41. The following tables shows the percentage of available working days lost due to sickness for the past seven years:

<b>Year</b>	<b>% of days lost due to sickness EBC</b>
2015	3.8%
2016	3.0%
2017	3.5%
2018	4.2%
2019	2.9%
2020	3.3%
2021	3.4%
2022	4.0%

42. Further analysis shows that the highest sickness levels are within Neighbourhood Services. Neighbourhood Services, sickness rates are traditionally higher when compared to the rest of the Council due to the high numbers of employees in the area and the very physical nature of the work involved in Waste and StreetScene in particular.
43. All sickness absences are managed through the Council's Absence and Wellbeing Policy and managers are supported by HR with individual cases. The Council takes a pro-active approach to managing absence through early engagement with employees who are absent for any reason and using occupational health where appropriate to seek medical advice on the capabilities of employees to return to work. Where there is a real possibility of an earlier return to work through the use of physiotherapy, the Council will consider funding such treatment to support an earlier return. This often reduces the time that an employee is off work due to injury considerably when compared to waiting times for equivalent physiotherapy treatments available through the NHS.
44. Sickness absence data is a key indicator of organisational performance and needs to be well managed. It is reported on regularly to the Executive Team and senior management via HR.



45. The top three reasons stated for absence during 2022 were colds/flu, stress and Musculo skeletal which is the same as previous years. The higher incidence of colds/flu in 2022 can be explained in part due to symptoms being similar to covid, more social interaction following the removal of restrictions and the reduction of PCR tests being freely available.
46. Long term absences accounted for 49% of absences in the Council.



47. The Council continued to support employees through the pandemic in 2022 through the production of monthly health and wellbeing bulletins and raising the awareness of the employee assistance programme.

### **HR Casework**

48. The following table shows the number of formal cases being managed with support from HR for the past three years:

	<b>2020</b>	<b>2021</b>	<b>2022</b>
Formal Absence Management Cases	19	27	36
Formal Disciplinary Hearings	3	3	3
Formal Grievance Hearing	1	0	0
Formal Performance Management Cases	3	2	2
Dismissals on probation	3	1	0

49. It is pleasing to note that there were no formal grievances during 2022. Employee issues have been resolved informally with close working between HR, Managers and the trade unions.
50. HR polices are located on the Staff Hub so that staff and Managers have easy access. The HR team continues to provide support to Managers in handling any cases and have delivered a suite of HR related training to managers covering key areas such as disciplinary, grievance, sickness, performance management, recruitment etc.
51. As a result of the new ways of working, there were a number of revisions and additions to EBC's suite of HR policies and procedures, to reflect both changes in legislation and amendments to working practices as a result of remote working which included a new Hybrid Working Policy. In conjunction with the trade unions the Council also launched a Domestic Abuse Policy aimed at ensuring that employees who may be experiencing domestic abuse feel able to raise it within

the workplace and are aware of the support available - and for line managers and colleagues to feel confident in reporting and providing support.

## **Learning and Development**

52. A new Professional Qualifications Policy was launched in the last quarter of 2022 to further demonstrate EBC's commitment to developing its workforce through qualifications-based training moving into 2023. The aim of this policy is to encourage teams within the Council to consider qualifying their teams through the apprentice levy first, to assist us in meeting our public sector obligations, but also to have an identified pot of funds for qualifications which cannot be funded through the levy. This dedicated pot ensures that there is funding available to be requested by all members of Team EBC and that there is funding set aside for the qualification based training as well as the skills based training that is also required. The Policy shows a clear process for those interested in developing themselves further and ensures that the opportunity to upskill is to be led by the employee and is not reserved for certain teams or staff and is open to all.
53. Corporate training was not as extensive in the early part of 2022 as in previous years due to a combination of reasons such as embedding of the new Executive structure and the freeze on corporate spending later on in the year due to the financial pressures EBC is facing. Additionally gathering training requirements from each executive area was a complicated process and this meant budgetary plans were not finalised until later in the year. The aim is to roll out corporate training and department level training in the early part of 2023 to ensure that the development is available within the financial year. At the time of writing there is a circa of £40,000 left within the budget and are aiming to utilise this over the coming months.
54. Due to the pandemic, our partnership working with the Job Centre Plus had ceased as the Council was not able to commit to placements due to the ongoing restrictions in place. In 2022, this partnership has been revisited and a commitment has been made to providing high quality and meaningful placements to our residents who have been out of work and are keen to build experience back into their CVs.
55. The Council has enrolled five drivers onto HGV bootcamp training at a significantly reduced rate to help combat the skills shortage in this area and competitive rates of pay. These drivers are likely to be qualified in early to mid-2023 and will be ready to act as relief drivers at the depot to provide resilience and be available to step into a driving job when one becomes vacant.
56. In 2022, the Council was offered the chance to bid to be involved in an ACAS funded research project around discipline and grievance at work linked to conflict styles of managers and the Council was successful in our bid to be involved. The managers who are taking part will be involved in a free of charge workshop run by Professor Richard Saundry of the University of Westminster and will have access to a management training toolkit online for 12 months. This will be a chance for managers to share their views with others and discuss challenges they face with Richard who is one of the UK's leading experts in this field.

57. During May, the Council welcomed our new Chief Executive, James Strachan, into the organisation and Learning and Development worked closely with James, Nick Tustian and the PA's to structure and organise his induction into the Council, ensuring that he met with all that he needed to and that he was involved in relevant meetings which would enhance James' first few months.
58. The EBCLearn platform has continued to enable the team to provide access to training and development learning as well as supportive learning materials on health and wellbeing and other associated topics, for example time management, personal resilience, stress management. The system enables us to store training records in one place and also provides EBC with significantly improved reporting tools in relation to learning and development. For example, HR is able to identify the numbers of employees who have accessed a particular training module and Managers can access a "dashboard" relating to the training that their own team has completed/not completed. HR is therefore able to identify and track employees' completion of mandatory training. The system has also been used to provide access to interview support which enables those who are having to reinterview for their role as part of the restructure to prepare for this task.

### **Apprenticeships**

59. During 2022, seven new apprenticeships began in the Council, as follows:
- Two Level 6 Chartered Surveyor Apprenticeships
  - One Level 2 Countryside Worker Apprenticeship
  - Two Level 3 Creative Venue Technician Apprenticeship
  - One Level 7 Accountancy Professional Apprenticeship
  - One Level 6 Digital and Technology Solutions Professional Apprenticeship
60. Plans are already in place for two additional apprenticeships to commence in early 2023 with another two to be advertised.
61. HR continues to work with Managers to encourage them to consider recruiting an apprentice for lower salary banded roles and in entry-level technical roles. If a qualification can be funded through the apprentice levy, we will not fund this through the training budget.

## **Work Experience, Careers Outreach**

62. Over the past year, our levels of work experience have increased back to pre-covid levels, and there already are a number of confirmed placements across various service areas for 2023. The Council has attended careers events at various local schools and colleges such as Crestwood, Wyvern, Wildern and Eastleigh College and continue to represent Eastleigh Borough Council at providers within our borough and just outside, including Winchester and Southampton. These events include mock interview workshops, careers events during school time and in evenings for parents to attend and presentations.
63. The Council has provided a supported internship within the Facilities team in 2022 and will continue to provide these where operationally possible.

## **People Strategy Update**

64. The People Strategy is recognised as a Council ambition and is also part of the Organisational Action Plan. Its vision is for the Council to have a skilled, high performing workforce in accordance with its values of fairness, ambition and empowerment. The Council's current People Strategy 2022-2024 is based on three key principles:
- Reward
  - Recruit
  - Retain
65. The People Strategy details the activities that aim to ensure the Council has the right people with the right skills, attitude, motivation and flexibility to deliver services and objectives, it focuses on the following key areas:
- Pay and Reward;
  - Recruitment and Retention;
  - Performance Management;
  - Learning & Development;
66. Understandably progress on achieving some of the strategic aims within the People Strategy was hindered due to other pressing priorities such as the recruitment of a new Chief Executive, and the global economic impact having a significant impact on the Council's financial outlook resulting in the need to support and deliver several organisational restructures.
67. Nevertheless, despite it being a very busy period, the People Strategy project team have continued to work together to consider the above strands of the People Strategy with a view to making Eastleigh Borough Council an employer of choice and have implemented and/or reviewed the following:
- Simplified the EBC application form making this a less laborious process for applicants to apply and updated the EBC advert template to make the role more attractive. Further work is due to be done in collaboration with the communications team on our employer branding
  - Reviewed interview questions and process for less specialist posts

- Worked with the communications team on recruitment landing pages including the Chief Executive video
  - Trialled the free advertising Indeed platform and monitored the success of its use
  - Delivered hybrid working training to managers
  - Carried out a performance survey of managers which concluded that performance was being managed in a hybrid way and highlighted some improvements to consider
  - Considered the concept of “stay meetings” (development or support) and value
  - Review of non-pecuniary benefits and developed a staff benefits booklet to promote during recruitment
  - Performed internal benchmarking to determine how EBC sits in the employment market
  - The project team has also made preparations for a range of actions which can be progressed at the correct time. Some have a cost implication and so the current climate has not allowed for implementation. These include a golden hello, a referral scheme, a volunteering policy, buying and selling of annual leave, long-service awards and changes to our salary sacrifice schemes.
68. Part of the main focus has been improving the recruitment process. Tweaks have been made to the recruitment process with the emphasis of managers being more active during recruitment as historic methods were not appropriate due to the market buoyancy. Training and recruitment guidance was developed and delivered to managers to aid this and embed the changes. Equally a number of successful recruitment campaigns were organised to fill hard to recruit/specialists posts.
69. Retention has also been a key focus and amendments will be made to our pay framework and a more structured approach to progression is being considered. With the support of South East Employers internal and external benchmarking was completed during the year and this has helped with re-banding some roles that have proved difficult to recruit to, and has also highlighted which areas and levels the Council is paying below, about right or above market rates. All of this information has informed the current re-structures and will feed into the Pay, Progression and Performance review in 2023 which is being led by the Chief Executive and is also aligned to the People Strategy.

### **Pay and reward**

70. Each year, employees receive a nationally-agreed “cost of living” increase that is set nationally and following that the local pay award was agreed that is based on individual employee performance. The “cost of living” increase for 2022 was agreed in November 2022 which included an increase of £1,925 for Band 2 to Band 16 and an increase of one day in annual leave for all staff from 1 April 2023. This was backdated and paid swiftly in the same month.
71. Due to the substantial pay agreement which had not been anticipated or budgeted due to rapid changes over the summer in the national and global



economy and the need for the Council to revise its medium-term financial plan, the decision was taken not to pay our local pay award.

72. The Council continues to demonstrate its commitment to the Living Wage by increasing payments to £9.90 per hour from April 2022 for Band 1 employees. This supports our ongoing commitment towards our accreditation as a Living Wage Employer.

### **Recruitment and Retention**

73. The Council has continued to recruit in a mixture of methods such as face to face and via teams during 2022.
74. During 2022, the Head of HR supported the Leader of the Council with the recruitment of a new Chief Executive with the involvement of an external agency. An offer was successfully made to the successful candidate, James Strachan within two months of commencing the recruitment process and developed a robust and detailed induction programme when he joined in May 2022.
75. In late 2022 due to the global economic situation a further restructure commenced covering the Corporate Leadership Board and recently formed Executive team resulting in three redundancies, The new structure effective from 1 April 2023 comprises a Chief Executive, two Corporate Directors and seven Service Directors. The focus in 2023 will be embedding the new structure and supporting a comprehensive leadership development programme and ensuring the subsequent restructures for each executive area are aligned and embedded into the new leadership structure.

### **Performance Management**

76. The Council introduced a revised People Performance framework in November 2018 based on the principles that all staff should have regular performance, wellbeing and development discussions. Within this, employees should have a clear work programme and SMART objectives in place so that discussions on priorities, issues and problems can also take place on a structured basis. The framework also ensures that every employee plays an active part in their own performance management. A fundamental part of the performance process is regular 1:1 meetings between Managers and employees.
77. Further consideration will be given to the current performance management process during 2023 to ensure that it remains relevant in the climate in which the Council now operates and against the background of the market challenges being faced. Part of this review will include the consideration of a technological solution to performance management as our current process is very paper-based with a revised/light-touch process and framework for managers to follow as the objective is to revive a performance culture and regular discussions with wellbeing an important factor. Links will also be made to paying a local pay award should budgets allow however as part of the People Performance framework there are several ways managers and staff can be recognised such as:

- Thank You Cards - These cards were introduced in 2019 and continued to be used across the Executive Areas. They continue to receive positive feedback and have been a more tangible way of saying “thank you” to employees as the majority are working remotely from colleagues and customers.
- Shopping Vouchers - Managers can award £20 shopping vouchers to distribute to their staff as they deem appropriate to recognise individual staff contributions. The vouchers are a way to give a small but tangible token of recognition which supports the Council’s commitments to individual contributions. Feedback to date is very positive and staff have stated that they really appreciate the quick and simple recognition from their manager.
- Honorarium – ability to award staff with a one off payment for an exceptional piece of work going above and beyond the requirements of their role
- Staff Awards – due to the current climate it was agreed that the staff awards based on the four key themes within our Way We Work framework (think customer, think colleague, think different, take pride) and a #TeamEBC award for the teams will be moved to the Summer 2023 allowing an opportunity to celebrate successes in an appropriate setting and time.

## **Employee Wellbeing**

78. The Council’s Wellbeing monthly bulletins (bringing together all wellbeing news and information into one place for easy access) are now an established regular monthly communication to all staff. The Council’s network of internal mental health champions continues to meet on a 6-weekly basis to share news and information on wellbeing topics and the champions are available for confidential conversations with employees about their mental health. The Council has recruited a few additional mental health champions and they have actively set up regular drop-in sessions for staff due to the changes within the organisation and global economic crisis.
79. In late 2022 the team worked closely with our Employee Assistance Programme and launched a mobile app where staff can access all of the information covering a diverse range of topics from mental health, financial planning, legal advice, career planning and relationship advice. Employees are also able to now chat with the team via a live chat function in the app and like the phone service this is confidential and free of charge for staff. The Mental Health Champions continue to signpost employees to the programme with full knowledge of the wide variety of assistance that it can provide.
80. During Mental Health Week in May 2022, daily mental health bulletins were issued to staff on the subject of loneliness with tips, hints and guidance on mental health.

## **Payroll**

81. The NJC pay award for April 2022 was agreed on 1 November 2022 and due to the increase in cost of living, to support staff as soon as practicable payroll worked hard to make the necessary changes in the system and back pay all staff in a very tight turnaround on 15 November 2022.

82. The Council also backdated the Councillors' allowances swiftly to reflect revised allowance and this was paid in December 2022.
83. At the time of writing this report, a major upgrade is being installed to the Payroll system which has required significant user acceptance testing and support for its implementation. This has all been achieved along with three other updates throughout the year in addition to the normal monthly payroll processes.

### **Union collaboration**

- 85 The Council is keen to support trade union membership and there is recognised facility time for union representatives. Throughout 2022, HR worked closely and collaboratively with the unions to deal with any urgent matters raised by staff. This enabled issues to be resolved quickly and efficiently without the need to recourse to more formal methods of resolution. More formal matters continue to be raised through the Council's Joint Consultative Committee which includes members of Corporate Leadership Board, HR and the various trade unions.

### **Financial Implications**

- 86 Staff costs represent our largest revenue expense so it is essential the People and Reward strategies support the delivery of our corporate objectives in the most efficient way. However, there are no specific costs associated with this report.

### **Risk Assessment**

- 87 There are no specific risks associated with this report.

### **Equality and Diversity Implications**

- 88 The Equality Act is relevant to the decision in this report as the Council need to ensure that all its people management practices adhere to the Equality Act and actively support a tolerant and inclusive working environment. It needs to ensure it has robust policies and practices in place to eliminate discrimination, advance equality of opportunity and foster good relations between different people. A full Equality Impact Assessment (EIA) has not been carried out for the purposes of this report because while there are some equalities impacts, it is not proportionate to carry out a full EIA.

### **Climate Change and Environmental Implications**

- 89 There are no specific climate change or environmental implications from this report.

### **Conclusion**

- 90 In common with most organisations there are challenges in recruitment and retention across the Council. The People Strategy team has been referenced in this report repeatedly and that highlights its importance to the Council especially in the forthcoming year.
- 91 The development of our future ways of working is also key and this will influence the delivery of the Council's priorities. It is important the Council continues to

build on this progress and continues to support and promote a productive, inclusive, supportive and enjoyable work environment.

SUKHI AUJLA  
HEAD OF HR

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**LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

None