

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO**

Finance Assets and Performance Scrutiny Committee
18 September 2024

Report Title: Turnover Report

Submitted by: Service Director Strategy People and Performance

Portfolios: One Council, People and Partnerships

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To present a review of turnover figures over the past year, including an analysis of leaving reasons, work undertaken and next steps			
<u>Recommendation</u>			
1. That the committee note the information included in the report			
<u>Reasons</u>			
To provide assurance on internal processes and practise.			

1. **Background**

- 1.1 Over the past years, during a period of change for the Council, turnover rates have been flagged as over target across services.
- 1.2 Committee have requested further information to inform understanding on the subject and to understand where action has been taken, as well as consideration of further action remaining.

2. **Issues**

- 2.1 The turnover rate remains a core KPI which is monitored cumulatively each month with an annual target of 10%
- 2.2 Turnover in 2023/24 stood at 15.22% across the year.
- 2.3 Turnover is currently measured across all leavers with no separation across voluntary leavers (i.e. resignations and retirements) and those who leave at the instigation of the Council (i.e. dismissals, TUPE)
- 2.4 Exit interview data is limited. Although requests are sent to all leavers, this can not be mandated and so it is difficult to accurately capture nuanced data on those who voluntarily leave employment.
- 2.5 Retirement remains a significant percentage of those who leave employment and this is reflective of the demographic of the workforce.

3. **Proposal**

3.2 That the committee note the information included in the report

4. **Reasons for Proposed Solution**

4.1 To provide assurance on internal processes and practise.

5. **Options Considered**

5.1 None.

6. **Legal and Statutory Implications**

6.1 none

7. **Equality Impact Assessment**

7.1 Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably due to protected characteristics. It is important to consider the potential impact on such groups and individuals when designing or delivering people practices. Equality Impact Assessments are conducted on all policies relating to recruitment, people management and exit.

8. **Financial and Resource Implications**

8.1 None directly as a result of this report, however resource implications remain in terms of vacancy management.

9. **Major Risks**

9.1 none

10. **UN Sustainable Development Goals (UNSDG)**

10.1 In shaping detailed budget proposals consideration will be given to the need for investment in order to deliver the Council's Sustainable Environment Action Plan.



11. **Key Decision Information**

11.1 n/a.

12. **Earlier Cabinet/Committee Resolutions**

12.1 n/a.

13. **List of Appendices**

13.1 Appendix A – Turnover Report

14. **Background Papers**

14.1 None

Appendix A. Analysis of Turnover and Leavers -August 2024

Period reviewed; 01/08/2023-31/07/2024.

Background

Turnover remains a core KPI which is monitored cumulatively each month, the annual target is 10% but 23/24 saw a total of turnover of 15.22% for the year. Turnover at the Council is used to measure the rate at which employees leave the organisation, a total measure is used, so there is no separation between voluntary (resignations/retirements) and involuntary (dismissals, TUPE, end of fixed term contract etc)

Monthly turnover is calculated as; **Leavers in month/Total headcount at end of month**

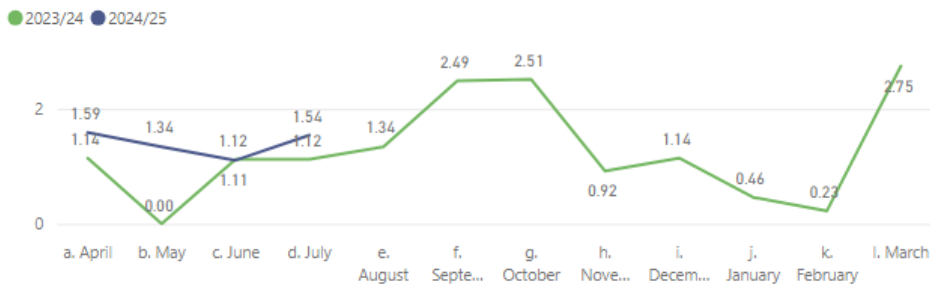
Cumulative turnover is calculated as; **Leavers in YTS/Average monthly headcount in YTD**

High voluntary turnover can be a sign of low morale, dissatisfaction with pay and benefits, lack of career or development opportunities and a competitive market amongst other things.

For Q1 24/25 turnover was 4.03%, which if the current trend continues, will mean a similar cumulative turnover % to the previous year.

So far for 24/25 turnover and vacancies are both tracking at a marginally higher level than 23/24.

Turnover % Over Time



Vacancy Rate Over Time



This report compiles information from leavers reports, HR dashboard data and exit interviews to examine the information behind this data in more detail.

Reasons for Leaving

Over the past 12 months (August 2023-July 2024) a total of 84 people have left the Council, an average of 7 per month. The reasons recorded for leaving are as outlined below;

Reason for leaving	Number	% of total leavers
Dismissed capability - Health	6	7.14%
Dismissed conduct	2	2.38%
End of FTC	2	2.38%
MARS	5	5.95%
Probationary Period Incomplete	10	11.90%
Resigned	37	44.05%
Retired	20	23.81%
TUPE Transfer out	2	2.38%
Grand Total	84	

Almost a quarter of those leaving are retirees and this reflects the age profile of the workforce, with 52% of the workforce currently aged over 50 and almost 5% aged 65+, in addition the fact that 6 of the leavers were dismissed due to long term ill health (including some approved for ill health retirement) reflects the levels of long term sickness absence the council have seen in recent years.

A number of leavers were either transferred to another organisation (TUPE), had fixed term contracts which expired (this could be a short-term project or cover such as maternity), or applied for the MARS scheme and were approved as the removal of their post offered a way to deliver services differently/more effectively. These individuals should not be considered as natural turnover, as their posts would not be recruited to in a like for like manner and so do not necessarily represent any trends or reflect on staff mood or engagement. Some of these leavers represent services which the Council no longer delivers in-house.

A growing number of individuals have had their contract terminated within 6 months due to not completing their probationary period, one of the reasons for this increase has been a change in the way we have recruited a flexible workforce, a number of staff who were previously agency or casual workers were offered short term seasonal contracts in either Streetscene or waste and recycling, but failed to fulfil their contractual requirements. The most common reason for probationary failures has been high levels of absence, including unauthorised absences and high levels of sickness, there have also been some cases of misconduct. The fact that probationary failure dismissals are rarely due to capability in terms of required skill or competence indicates that our recruitment processes are appropriate for selecting skills alignment; however we continue to hone our recruitment practices and promote values based recruitment to limit the likelihood of failed probationary periods.

Additionally, these issues tend to be more prevalent in a more transient/seasonal workforce where perhaps individuals are just looking for very short-term work (students/people who usually work on agency/those who view the council as a “stop-gap”).

Historically the organisation has not always acted on concerns during this initial period of employment and this can lead to longer more serious issues arising; therefore closer adherence to the policy in this respect is a positive reflection on management confidence and capability, as well as indicating that teams and services are clearer about what constitutes appropriate behaviour and adherence to our values.

Resignations

There have been a total of 37 resignations in a 12 month period, these are the turnover posts which are more indicative of any trends within workforce.

The highest number of resignations were within the following roles.

- Fitness instructors (5)
- Swim teachers (4)
- Customer hub assistants (5)
- Customer hub officer (3)
- Waste collection operatives/drivers (5)

Leisure posts are well known across the industry for high turnover and fitness and swimming instructors are hard to attract and retain. The swim academy, which is a project partnering with Swim England to train new swimming teachers and potentially offer ongoing employment, based at J2 has increased recruitment into these posts, but retaining trainees longer term is a challenge. Fitness instructors have fed back that the private sector is much more lucrative for those with training and experience in delivering classes, J2 have been reviewing their workforce model to explore ways to improve recruitment and retention.

The customer hub team experience high turnover predominantly within the entry level customer hub assistant posts, this may be due the roles being viewed as a first step into customer services, but there has also been feedback about the challenges of first line customer service experienced by some individuals who have left. This is being fed back into ongoing work around service improvement. The model now in place evidences a much stronger career pathway than previous models; and next steps are to use this to support our recruitment processes. Three staff have been internally promoted from Grade 4 to grade 6 within the last 12 months.

The waste and recycling teams are one of the largest teams in the council and therefore it is expected that they will account for a larger proportion of the leavers, there isn't a significant concern about these posts as the average tenure within the sustainable environment service is very high, with 47 people currently employed for over 20 years.

Exit Interview Data

Exit interview links are sent out to all individuals upon notification of their leave date, unfortunately completion rates remain much lower than expected, but the data provided is reported on and reviewed to identify and trends or concerns.

Since February 2023, when a simplified exit interview process was launched, 27 questionnaires have been completed. The majority of the feedback on these forms was positive, two thirds of people said they would recommend working for the council and only 3/27 people rated the Council as an employer as below average.

Next Steps

There are a number of small workstreams looking at challenges in recruitment and retention in certain teams, such as within the leisure service at Jubilee 2. Scrum work continues to identify challenges and new ways of working which could assist with retention.

As exit interview data is limited, it is proposed that some of the questions included in the exit interview questionnaire ([available here](#)) are included as part of the annual staff survey to provide an oversight and benchmark into how employees currently feel about pay, benefits and working conditions, in order to address any areas of concern.

Leaver information and exit interviews will continue to be monitored monthly and any trends (such as those outlined in certain roles) identified and acted upon.