

Meeting	OLC Board	Agenda Item No.	7
		Paper No.	117.5A
Date of meeting	14 December 2021	Time required	10 Minutes

Title	People Report
Sponsor	Debbie Wright, Head of People Strategy & Services
Status	OFFICIAL

Executive summary
<p>This paper provides an update on the following areas of LeO's people-related activity:</p> <ul style="list-style-type: none"> • Recruitment – this section provides an update on the latest investigator recruitment campaign, hard-to-fill Corporate roles and the emerging hub strategy. Appendix 1 provides an overview of this year's recruitment activity up to 2 December 2021. Response to the latest investigator recruitment campaign has been incredibly positive: at the time of writing, 349 applications have been submitted, of which 73 have already been recommended for interview. Further information is contained in section 2 of the main report. • HR metrics – this section highlights the increase in November attrition plus the number of resignations received in November (which will also impact productivity); sickness; and the time to fill vacancies. It also highlights contributing factors and actions being taken to address. Headline data is shown in Appendix 2. • Update on key HR priorities/activities – this section provides an update on priority people-related activity, including the 2021 People Survey, review of the Level 1 Ombudsman role, benchmarking, and the interim Celebrating Success scheme. Contained within this section is also information on the revised reporting arrangements for people-related activity to RemCo and the Board.
Recommendation/action required
Board is asked to note the people report.

PEOPLE REPORT – DECEMBER 2021

1. Introduction

- 1.1 This report provides an update on key people-related activity as at 3 December 2021.

2. Recruitment

- 2.1 The HR team continues to support significant recruitment activity at the current time, across both the Operational Delivery and Corporate areas. Appendix 1 provides a summary of recruitment activity from April 2021 to 2 December 2021.
- 2.2 The Board will be aware of the significant challenges we have experienced relating to investigator recruitment. Recent local campaigns failed to recruit sufficient numbers; following the recent campaign, 12 investigators were recruited. This has resulted in the need for a further campaign in November.
- 2.3 In response to these challenges we changed our recruitment strategy for the next round of investigator recruitment. The Board will be aware from the October People Report that work had already begun on engaging an external recruitment partner, and that consideration was also being given to a national campaign to widen applicant reach. TMP (a large-scale recruiter dealing with household-name companies and on the MoJ framework) have been engaged to provide support with the recruitment process and free up valuable operational resource. The campaign went live on 18 November and was pitched to attract recruits at national level. The response to date has been very positive; due to the unprecedented number of applications the closing date for applications was brought forward to 9 December. The interviews/assessments are currently due to take place from 10 – 17 January 2022. It is envisaged that new recruits will be in the business from late February onwards.
- 2.4 Better use has been made of social media in this latest campaign, which had been limited previously, specifically LinkedIn, Twitter and Facebook, and work is underway to proactively target jobseekers with relatable skills and experience.
- 2.5 At the time of writing this paper, 349 applications have been completed, with a further 1,297 in progress. TMP had sifted 150 applications as at 7 December, of which 73 have been recommended for interview. The campaign is being closely monitored by the HR team in liaison with TMP.
- 2.6 A number of Corporate posts continue to prove hard to fill. The Risk Manager, Project Manager, Quality Manager and Legal Manager posts all failed to secure applications/appointments following first advertisement and

have had to be re-advertised, some on a number of occasions. We have also contacted agencies to source candidates, which has also proved challenging.

- 2.8 LeO is proactively developing a strategy to diversify away from a single-site location in Birmingham and consider small hubs, potentially using MoJ estate. Our employment offer may be more attractive in other UK cities where the market is less saturated with competitors requiring similar skills. Initial conversations have taken place; a project team will be set up and recruitment will be considered alongside this.

3 HR Metrics

- 3.1 Appendix 2 details headline HR metrics with accompanying narrative. Key points to note are:

- **Attrition** has seen a month-on-month increase since May and stands at 20.5% in November 2021. Ten permanent staff left the business in November, 5 of whom were from Operational roles, 5 from Corporate. Investigator attrition now stands at 20.0%, an increase of 1.6% since October. Corporate attrition has also increased; it stands at 26.9% in November, increasing from 15.7% in October. However, the rate of resignations has slowed since October (during which 21 resignations were received, 9 of which were from investigators). This month 1 investigator resignation has been received.
- There are a number of factors likely to be impacting on the attrition, including the job market picking up as the country moves to recovery post-Covid, and the impact of LeO's increased focus on performance variation, which has resulted in some employees leaving the business. However, as noted above a key challenge for LeO in retaining its staff is that our salaries and terms and conditions are not competitive compared to other employers – this applies to both operational and corporate roles. As previously shared with the Board, a benchmarking exercise is underway to form a full picture of comparability, which will inform actions going forward. Further information can be found in section 3.3 below. Additionally, the HR team have reviewed the exit process – online exit surveys will be launched in December to further develop our understanding of the reasons people leave and the organisations to which they are joining. This information will form the basis of regular reports to the Executive going forward.
- In addition to broader terms and conditions, it is clear that there is some work to do within our operational cohort to better understand how we can allow freedoms in how the work can be undertaken. Following recent engagement with investigators, LeO will be piloting the removal of some of the restrictions and barriers which investigators believe hamper their ability

to perform and cause them concern. Should this prove successful we will roll this out more widely to our established investigator community.

- The Chief Operating Officer has also been working with the Well Being Network Lead to survey our new starters to understand their early experience of LeO, which may also inform our recruitment and induction strategy. We have also engaged an interim recruitment adviser whose primary focus is to undertake an end-to-end review of recruitment and induction. A key part of his remit will be attraction and retention strategy, which will link with emerging findings from the benchmarking exercise and also include research into other employers' initiatives to identify good/successful practice.
- **The time taken to fill vacancies** has remained static at 13 weeks. As noted above, an interim recruitment adviser has been engaged to undertake an end-to-end review of recruitment and induction, which will also include improving the candidate journey and efficiency of the recruitment process. Further reporting will also be developed to focus on the time to fill from advert to offer, which will be broken down by Operations, Corporate and the Investigator cohort. As information becomes available month on month, we will be able to report on any trends/issues going forward.
- **Sickness absence levels** have increased for the fifth month in a row to over an average of 15.03 days sickness per employee in a rolling year. This equates to 461.5 days lost due to sickness in November (441.5 in October) at a cost of £50,584. Of the 461.5 days, 266 (57.6%) were lost as a result of the long term sickness of 15 individuals, 10 of whom are investigators. Sickness absence due to mental health continues to be the main reason for absence, although it stayed relatively stable at 108 days in November (100 in October). More generally, returning to the office had been cited as a cause of stress and anxiety amongst some colleagues; as a result, HR extended the support available to line managers by running a series of HR case clinics. The clinics provided guidance and support to managers on return to the office issues as they arose, with a particular emphasis on wellbeing and reasonable adjustments. Advice on the management of complex individual cases was also provided. Additionally, a series of workshops was delivered by an external provider (Bailey and French) during November; these focused on individuals' wellbeing following the pressures of the pandemic in both working and personal lives and was attended by 51 colleagues. An ongoing wellbeing programme is currently under development. The 'Ask Me Anything' seminars for managers will continue in the new year, the first of which will explore preventative methods of managing wellness and good mental health and will be led by our Occupational Health provider.
- November saw a reduction in Covid-related absence for the third month in a row, reducing from 103 days in October to 85 days in November. This is due to individuals who had been on long-term Covid absence returning to

work. This is largely in response to the change in approach that was communicated by HR, namely that the application of the sickness absence policy would be reverting to pre-Covid arrangements.

- Also of note is the increase in absence relating to surgery, which has increased over the last 2 months (54 days in November, 38 days in October), as a result of hospitals beginning to work through the backlog of procedures paused during lockdown. HR will track this absence reason going forward and provide insight if a trend is observed.
- As part of a wider approach to addressing the concerning increase in absence levels, the current absence management policy (including absence ‘triggers’) and absence processes are being reviewed to assess whether they are being implemented effectively and that both policy and process are fit for purpose and reflect good absence management practice going forward. These will come to RemCo alongside other people-related policies in February 2022. We will also explore training for managers on application of the policy and dealing effectively with absence-related issues.
- Sickness absence reporting via the HR system (CipHR) is also limited and needs to be reviewed to improve availability of the reports available to HR and managers in order to facilitate timely absence intervention and provide a fuller picture of absence to identify trends and potential ‘hot-spots’.

3 Update on HR Priorities/Activities

3.1 People Survey

- 3.1.1 The annual Civil Service People Survey was launched in LeO on 28 September and closed on 3 November 2021. This year’s response rate was 56%, higher than that of the MoJ (41%) but lower than last year’s response rate of 81%. The response rate in 2019 was 57%.
- 3.1.2 A number of factors have impacted on the lower response rate this year. Last year, significant HR time was given over to ongoing prompts and communications relating to completion of the People Survey; this year, the timing of the survey (which is out of LeO’s control) coincided with high priority activity on the returning to the office piece, which was a key focus for internal communications and HR. Another factor impacting on completion rate was schools’ half term falling within the survey completion window; last year MoJ recognised the impact this potentially had, given that there were fewer staff in the business during this time, so extended the survey completion date by one week. This was not done this year. A further factor to take into account was the request by the PCS union that their members boycotted the survey.
- 3.1.3 At the time of writing this paper, LeO’s results have not made available by the MoJ. The timelines for doing so are as follows:

- **7th December** – MoJ’s engagement team will receive overall survey results, to enable a briefing with their senior team. ALBs will be briefed later in the week on an embargoed basis.
- **9/10th December** – ALBs will receive access to the dashboard on an embargoed basis to assist them in preparing for any briefings.
- **14th December** (for information only) – MoJ intends to release the MoJ results to its own staff via their intranet.

3.1.4 Once LeO’s results are available, headline findings will be shared with staff, the Board and Staff Council. Detailed analysis will then take place, and an action plan developed to address the findings as appropriate. This is likely to be undertaken during January/February and will be shared with staff and the Board on completion.

3.2 Review of Level 1 Ombudsman Role

3.2.1 By way of background, the Level 1 Ombudsmen roles have historically been split into two key areas: quality and feedback, and high complexity investigations. Following an operational review by the Operations Managers, it was identified that the number of high complexity investigations had decreased, and the demand on the Level 1 quality and feedback Ombudsmen, and the type of support they provided to the business, had increased.

3.2.2 To improve the resilience and flexibility of the business, it was proposed that the two Level 1 Ombudsman job descriptions be merged into a single role. Expected benefits were identified as the following:

- A more flexible Level 1 Ombudsman team
- Increased resource to take high complexity cases as and when needed
- Improved support to investigators
- A more robust and efficient infrastructure and service to customers
- Improvements to resilience and continuity of services
- Reduced reliance on secondments to aid resource gaps
- Improved career and development opportunities for colleagues.

3.2.3 Supported by HR, the Team Leaders commenced discussions with the Level 1 Ombudsmen regarding the proposed change and business rationale, revised job description and person specification, with the aim of engaging the Level 1 cohort in discussions on the change and to secure sign-up to the new job description.

3.2.4 The schedule is as follows:

Date	Activity
w/c 11/10/2021	Share revised job description and person specification with Level 1 Ombudsman and start discussions
w/c 08/11/2021	Outstanding questions from Level 1 Ombudsmen to be collated
w/c 29/11/2021	Final responses to outstanding queries provided to Level 1 Ombudsmen Meetings to set out: <ul style="list-style-type: none"> • Confirmation of change being implemented • Date change will be implemented • What transition looks like
w/c 06/12/2021	Launch revised job description and issue communications to the organisation Launch development support for Level 1 Ombudsmen Launch recruitment campaign to recruit new additional Level 1 Ombudsmen resource
w/c 21/3/2021	Expected start date of newly recruited Level 1 Ombudsmen

3.2.5 Extensive legal advice has been taken during the process, with the above approach endorsed by our employment law advisers, Mills and Reeves.

3.2.6 As indicated in the table above, a recruitment campaign will commence shortly with the aim of appointing up to 5 Level 1 Ombudsmen. Previously, although recruitment to these posts was opened up to external candidates, new recruits to these posts mainly came from internal promotions or secondments. This has been beneficial to the business in that existing staff have already developed the skills and experience required for the role, and are able to become fully productive more quickly. Whilst still subject to the same rigorous recruitment process as external candidates, internal recruitment has also enabled speedier appointment to the roles than would have been the case with a lengthier external campaign. Internal recruitment also provides career development opportunities, which in turn can help reduce attrition.

3.2.7 It is acknowledged that recruiting internally does impact on resource within other areas, namely the investigator cohort, and that a balanced approach to internal and external recruitment needs to be taken, taking into account the circumstances at the time. On this occasion an external recruitment campaign will be launched, given the numbers we hope to attain. Internal candidates will still have the opportunity to apply, in line with current LeO policy.

3.3 Benchmarking

3.3.1 The Board will be aware from the October People Report that we have engaged an external consultant, CELRE Consultancy Limited, to undertake a pay benchmarking exercise to compare LeO's pay with other employers. This

work has now commenced and is complemented by a terms and conditions benchmarking exercise, currently being undertaken by our Research Officer.

3.3.2 All roles in LeO are in scope. The full pay benchmarking report will be available by March 2022, and will be key to informing future action planning, including development of total reward and recognition and recruitment and retention strategies as part of the 2022/23 People Strategy. Where applicable, the findings will also form the basis of discussions with RemCo and then MoJ, to explore the degree of flexibility LeO would have in making changes to its pay structures and employee terms going forward. Any proposed changes would need to follow the full governance route.

3.4 Reporting on People-Related Activity to RemCo and Board

3.4.1 In its October meeting the Board considered and approved the 'Providing RemCo and Board Assurance on People-Related Activity' paper. In summary, this paper proposed the key areas of focus for RemCo and the Board going forward in relation to people-related activity; for the Board it was agreed that reports would focus on key areas of risk, supported by HR metrics where appropriate. In addition, the Board would be kept updated on positive people-related activity and our progress towards moving LeO to an employer of choice.

3.4.2 A key element of RemCo's revised remit was a focus on HR policies considered fundamental to LeO's people performance and which carried the highest risks, e.g., those that impacted employee relations and/or had the potential for dismissal and therefore subsequent challenge in an employment tribunal. Appendix 3 outlines those policies within RemCo's remit, as shared and approved at the October Board meeting.

3.4.3 Additional HR resource has been engaged to provide support to policy review and development. This work is well underway, with the first round of HR policies being presented for consideration and approval at the February 2022 RemCo meeting.

3.5 Celebrating Success

3.5.1 The revised, interim Celebrating Success scheme was launched mid-November. At the time of writing, 51 nominations have been received, 17 of which are for the Instant Recognition award, 34 for the new Monthly Award. The first Moderation Panel, which considers the applications and will play a key role in monitoring fairness and consistency within the scheme, will meet on 7 December. Work to publicise the interim scheme arrangements will be ongoing, with dedicated 'champions' in Operations and Corporate areas driving the scheme and supporting nominations. The interim scheme will be closely monitored to assess its effectiveness and to inform our future approach to celebrating success and the wider strategy for overall reward and recognition.

Roles filled from 1 April 2021 up until 2 December 2021

Appendix 1

Corporate

Filled

Job title	No of vacancies filled (heads)	FTE	No of internal appointments in the headcount	Type of vacancy
EDI Manager	1	1	1	Permanent
Risk Manager	1	1	0	Permanent
Policy Officer	1	1	0	Permanent
Head of People Strategy & Services	1	1	0	Permanent
Finance Manager	1	1	0	Permanent
Performance & BI Manager	1	1	0	Permanent
MI/SQL Specialist	1	1	0	Permanent
Paralegals	2	2	1	Permanent
HR Advisor (FTC Recruitment)	1	1	0	FTC
Head of Programmes	1	1	1	Secondment
Interim Finance Manager	1	1	0	FTC to 31st March 2022
EDI Specialist	1	1	0	FTC to 31st March 2022
Programme Manager (18 mths FTC)	1	1	0	Permanent
Interim Executive Support Assistant	1	1	0	Interim
Senior Ombudsman	1	1	1	Secondment
Internal Comms Manager - 9mths FTC	1	1	0	FTC
HR Advisor (Policy Advisor)	1	1	0	FTC to 31st March 2022
HR Advisor (Recruitment)	1	1	0	FTC to 31st March 2022
HR Advisor	3	3	0	FTC to 31st March 2022
HR Adviser (L&D)	1	1	0	FTC - ends 31st March 2022 (awaiting confirmation of start date)
Performance Analyst	1	1	0	Due to start - 4th Jan. 2022
Legal Manager	1	1	0	Start Date TBC for Jan / Feb 2022
Total	25	25	4	

In progress (either out to advert or in selection process)

Job title	No of vacancies to fill (heads)	FTE	No of internal appointments in the headcount	Type of vacancy
Health & Safety/Facilities Manager	1	1	0	Permanent
Legal Manager	1	1	0	Permanent
Risk Manager	1	1	0	Permanent
Total	3	3	0	

Total corporate recruitment to date

28

On the horizon/to be re-advertised

Job title	No of vacancies to fill (heads)	FTE	Type of vacancy
Power BI Developer	1	1	Permanent
Quality Manager	1	1	Permanent
Executive Support Assistant	1	1	FTC
Project Manager	1	1	Permanent
Total	4	4	

Roles filled from 1 April 2021 up until 2 December 2021

Appendix 1

Operations

Filled

Job title	No of vacancies filled (heads)	FTE	No of internal appointments in the headcount	Type of vacancy
GET Advisors	14	14	7	Permanent
In-Bound Call Handlers	7	7	0	Permanent
Investigators (Jul round)	19	18.78	0	Permanent
Team Leaders	5	4.88	1	Permanent & Secondment
L2 Ombudsman	4	3.6	1	Permanent & Secondment
GET Investigators	6	5.6	6	Secondment
L1 Ombi secondment	2	1.83	2	Secondment
Investigator (July Recruitment)	11	11	0	Permanent
L2 Ombudsman (12 mths Secondment)	1	1	1	Permanent
Operations Manager	1	1	0	Permanent (starts Jan 22)
GET Advisors (Sept. 2021)	6	6	0	Permanent
In-Bound Call Handlers (Sept. 2021)	2	2	0	Permanent
Investigator (Sept. Recruitment)	13	13	0	Permanent
GET Team Leader	1	1	0	Permanent
Total	92	90.69	18	

In progress (either out to advert or in selection process)

Job title	No of vacancies to fill (heads)	FTE	No of internal appointments in the headcount	Type of vacancy
Investigator (Nov/Dec. Recruitment)	25 planned	TBC	0	Closing Date - 13/12/2021
GET Advisors (from Sept 2021 Campaign)	2	2	0	Accepted Offer and due to start - Dec. 2021
Total	27			

Total Operations recruitment to date

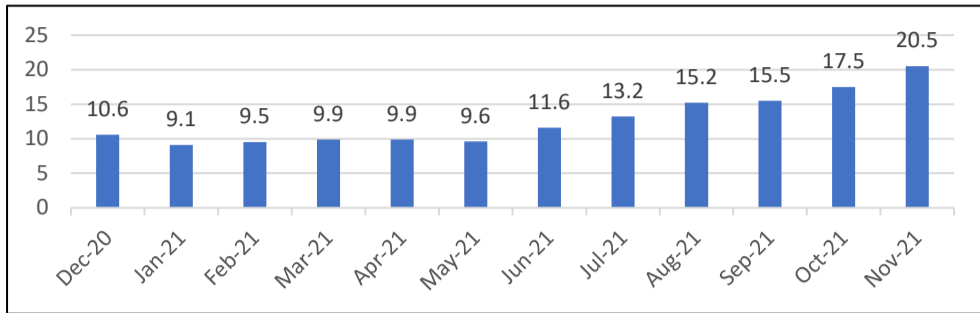
32

On the horizon/to be re-advertised

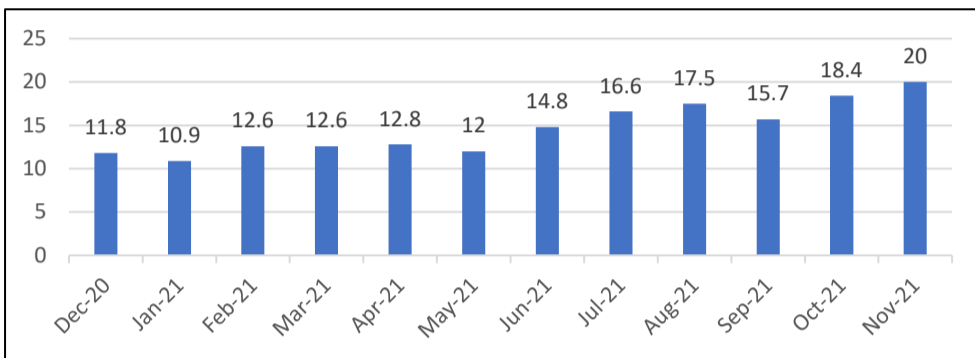
Job title	No of vacancies to fill (heads)	FTE	Type of vacancy
Level 1 Ombudsman	5	5	Permanent
Total	5	5	

Appendix 2

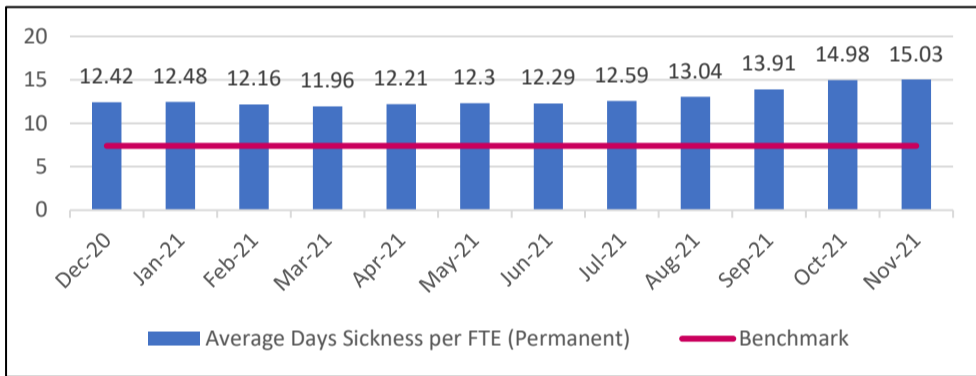
Staff retention - attrition



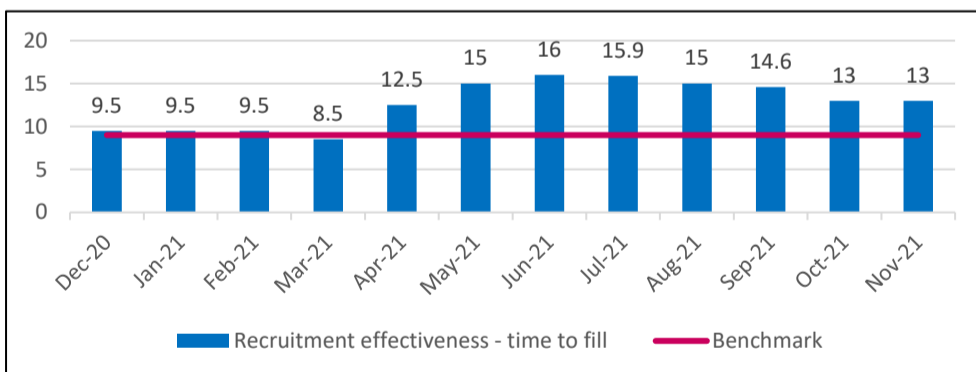
Investigator retention - attrition



Sickness, lost days per head



Recruitment effectiveness – time to fill (weeks)



Our Performance

Analysis/commentary is provided in the main paper. In summary:

- **Attrition** has seen a month-on-month increase since May and stands at 20.5% in November 2021. Investigator attrition stands at 20.0%, a 1.6% increase since October.
- **Sickness absence levels** have increased for the fifth month in a row to over an average of 15.03 days sickness per employee in a rolling year.
- **The time taken to fill vacancies** has remained static at 13 weeks in October and November.

Appendix 3

Proposed framework for consideration/approval of HR strategy/policies

The table below reflects those policies currently in place unless indicated otherwise. There is considerable work to be done on ensuring HR policies are robust and fit-for-purpose going forward so all will be subject to review. This may result in some policies being re-titled, merged or removed. Some policies will be expanded to reflect the wider strategy going forward; new policies are also likely to be developed as LeO moves to being an employer of choice.

Board	RemCo	Executive
People Strategy (overarching – to be developed for 2022/23)	Redundancy	Dignity at Work
	Disciplinary	Criminal Records
	Sickness Absence Management	Investigations
	Probation	Flexible Working
	Performance Support	Learning & Development
	Grievance	Family Leave
	Pay	Time Off Work
	Performance Management Framework (to be developed)	Support for Professional Qualifications and Further Education
	Recruitment, Selection & Promotion	