

Meeting	OLC Board	Agenda Item No.	7 116.5B
Date of meeting	18 October 2021	Time required	20 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, highlights current challenges in recruitment generally (including Corporate roles) and actions being taken to address. Appendix 1 provides an overview of this year's recruitment activity up to 5 October 2021. • HR metrics – this section highlights the increase in September attrition plus the number of resignations received in September (which will also impact productivity); sickness; and the time to fill vacancies. It also highlights contributing factors and actions being taken to address. The data is shown in Appendix 2. • People Strategy and HR priorities – this section provides an update on the focus of people-related activity for 2021/22, and the development of a People Strategy for 2022/23.
Recommendation/action required
Board is asked to note the people report.

PEOPLE REPORT – OCTOBER 2021

1. Introduction

- 1.1 This report provides an update on key people-related activity as at 5 October 2021.

2. Recruitment

- 2.1 The HR team is supporting 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 5 October 2021.
- 2.2 The Board will be aware that having sufficient resources in the business is a key driver for the success of the 2021/22 Business Plan. The Board will also be aware of the significant challenges relating to investigator recruitment through previous meetings and the September Board seminar. Recent local campaigns failed to recruit sufficient numbers, with up to 50% fewer successful applicants than April 2020; it is clear that Birmingham has become a saturated market for the investigator skills set, with the SRA, FOS, RICS, and other employers recruiting for similar skills requirements on similar or better employment terms.
- 2.3 In preparation for the planned recruitment campaign in September 2021, use of an external recruitment partner (Michael Page) was instigated to provide additional resource to the recruitment process, reduce the time investment needed by operational staff, and draw on Michael Page's expertise and experience in managing larger-scale recruitment campaigns. Given the shortfall in investigator numbers, the campaign aimed to secure 30+ recruits. To achieve this, consideration was also given to a national campaign on this occasion, to extend the pool of potential applicants.
- 2.4 Progressing the engagement of Michael Page within the necessary recruitment timescale proved undeliverable, due to delays from MoJ in clarifying the approval process. This resulted in the September campaign being led by LeO as per previous campaigns. However, on this occasion the advertisement was pitched to reach beyond the local area to applicants within a commutable distance, in order to increase the potential applicant pool.
- 2.5 The September investigator recruitment campaign is due to conclude on 9 October 2021. 63 applications were received, from which 31 individuals were selected for interview. At the time of writing this paper job offers have not been made but are likely to be in the region of 9-11 new recruits. This would mean there is still a requirement for more investigators, so a further campaign will be needed in October/November 2021, to allow for starts in January 2022.

- 2.6 We are still actively pursuing the use of an external recruitment partner for future campaigns. Meetings have been held with TMP, who are on the MoJ framework, to discuss our requirements. TMP has confirmed it will also be able to assist with attraction strategy, by improving the way we present to potential recruits throughout the recruitment process. We are currently awaiting confirmation on the paperwork to be completed and confirmation of costs.
- 2.7 In addition to the above, we are still exploring the feasibility of working with other external recruitment partners, e.g. Michael Page, to build greater flexibility and additional support for future recruitment campaigns. We are awaiting clarity from MoJ on the approval process for this route.
- 2.8 It should be noted that Corporate recruitment is also an issue; many Corporate teams have experienced high turnover in key positions over the last 8 months and have reduced capacity and key vacancies which are impacting their resilience and ability to support the business. In the corporate sector we have experienced a candidate-driven market in recruiting for 5 managerial posts and our remuneration package alone does not provide an attractive option.
- 2.9 Given the recruitment and retention challenges highlighted above, we have engaged an external consultant to undertake a benchmarking exercise to compare LeO's pay and employee terms and conditions with other employers. It is anticipated that this work will be completed by March 2022. The findings will inform future action planning, including development of a total reward and recognition strategy as part of the 2022/23 People Strategy. Where applicable, the findings will also form the basis of discussions with MoJ, to explore the degree of flexibility LeO would have in making changes to its pay structures and employee terms going forward.

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 June and stands at 15.5% in September 2021. Investigator attrition stands at 15.7%. It should be noted that during September 21 resignations were received, of which 9 were from investigators, 4 from Corporate roles. Of these, 9 are currently working their notice (6 investigators and 3 Corporate). There is likely to be a detrimental impact on productivity as individuals work towards their leaving date.
 - 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 noted in 2.9 above, a benchmarking exercise will be undertaken to form a full picture of comparability, which will inform actions going forward. Additionally, the HR team are currently reviewing the exit process to further develop our understanding of the reasons people leave and the organisations to which they are joining.

- **The time taken to fill vacancies** has reduced from 15 weeks in August to 14.6 weeks in September, due to shorter notice periods for new starters. Further reporting will 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 third month in a row to over an average of 14.5 days sickness per employee in a rolling year. This is a direct result of a significant increase in Covid absence, which increased from 54 days in August to 147.5 days in September. This is in part due to increasing infection rates generally, but is also impacted by employees who are absent with long-Covid. During the height of the pandemic LeO chose to suspend its usual sick pay and absence management processes to exclude Covid absence; in keeping with the national position in acknowledging the need to live with Covid going forward, this approach has been reviewed and from 1 November pre-Covid absence management processes will apply. We anticipate this will facilitate improved support and more timely returns to work for long-term Covid-19 sickness cases, through the use of homeworking or phased returns, supported by Occupational Health where required.
- Sickness absence due to mental health remained relatively stable at 125.5 days (115 in August). Wellbeing support continues to be provided by HR and our 19 Wellbeing Champions. Accessibility to our Employee Assistance Programme has been promoted as part of our communications on returning to the office. A series of workshops will also be delivered by an external provider during November; these will likely focus on individuals' wellbeing following the pressures of the pandemic in both working and personal lives, and will be the start of an ongoing wellbeing programme which is currently under development.
- Other activity to support more effective absence management included an 'Ask Me Anything' seminar, hosted by Mills and Reeve (LeO's employment law solicitors). This was delivered in September to line managers, with the aim of developing a risk-based understanding of managing attendance, performance and conduct issues. Feedback from line managers was

positive about the approach taken, the subject matter and the usefulness of the seminar.

- Further 'Ask Me Anything' seminars are also in development to explore preventative methods of managing wellness and good mental health, with the next seminar featuring a speaker from our Occupational Health provider, planned for November 2021.

3 HR Priorities and People Strategy

- 3.1 Following the appointment of the new Head of People Strategy and Services in June 2021, the current People Plan was reviewed. It was clear that successful delivery of all elements of the plan was dependent upon the basics already being in place, which was not the case. As one example, many staff do not have job descriptions or person specifications for their role, and there is currently no consistent appraisal or performance management framework.
- 3.2 Because there is still much to do on getting the basics right, the People Plan has been re-prioritised for the remainder of 2021/22, to focus on those immediate priorities that will create a firm foundation on which to improve customer outcomes in 2022/23. Priority areas in the current plan have already been identified, with work currently underway on job design and development of a performance management framework; given the resource limitations within the current HR team, additional temporary resource is being used to undertake the following:
 - Completion of a training needs analysis exercise for both Operations and Corporate, to identify training needs and skills gaps (to be completed by March 2022)
 - End-to-end review of the recruitment, induction and probation processes, to include review of recruitment/attraction strategy (to be completed by March 2022)
 - Review of existing HR policies (to be completed by January 2022)
 - Review of HR data reporting requirements, working closely with the Business Intelligence Manager (to be completed by March 2022).
- 3.3 Work has also commenced on a review of the HR team (structure, roles, capacity, processes, etc.) to support delivery of people-related activity and provide an improved, more modern and more proactive service that is aligned to business need.
- 3.4 Going forward, the People Plan will be replaced by a People Strategy for 2022/23, which will underpin all high-level people-related objectives in the Business Plan. Delivery of the People Strategy will be through a robust action plan, with clear accountabilities and timescales across the key areas.

- 3.5 The new People Strategy for 2022/23 will focus on continuing improvement in people activity and begin the process of moving LeO to becoming an employer of choice. Key themes such as talent management and succession strategy, reward and recognition, career progression, employee engagement, and leadership and management development, which are already contained within the current People Plan, will be incorporated into the new strategy; additional themes such as workforce planning and 'future-proofing' the workforce in terms of capacity and skills sets will also be built in.

Roles filled from 1 April 2021 up until 5 Oct. 2021

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
Programme Manager (18 mths FTC)	1	1	0	FTC - Due to start 01/11/2021
Executive Support Assistant	1	1	0	Agency Candidate due to start 25/10/21
Senior Ombudsman (Service complaints)	1	1	1	Internal Candidate to start - 01/10/2021
Internal Comms Manager - 9mths FTC	1	1	0	External Agency - started 20/09/2021
Total	15	15	4	

In progress (either under review, 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
HR Advisor FTC	1	1	0	FTC
Quality Manager	1	1	0	Permanent
EDI Specialist	1	1	0	FTC - ends 31st March 2022
Assistant Operations Development Specialist	1	1	0	FTC - ends 31st March 2022
External Affairs Team Leader	1	1	0	Permanent
Legal Manager	1	1	0	Permanent
Total	6	6	0	

Total corporate recruitment to date	21
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On the horizon				
Job title	No of vacancies to fill (heads)	FTE		Type of vacancy
Stakeholder Manager FTC	1	1		FTC
Performance Analyst	1	1		To be Confirmed
Total	2	2		

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 - started 13/09/21
L2 Ombudsman (12 mths Secondment)	1	1	1	Secondment - started 20/09/21
Total	69	67.69	18	

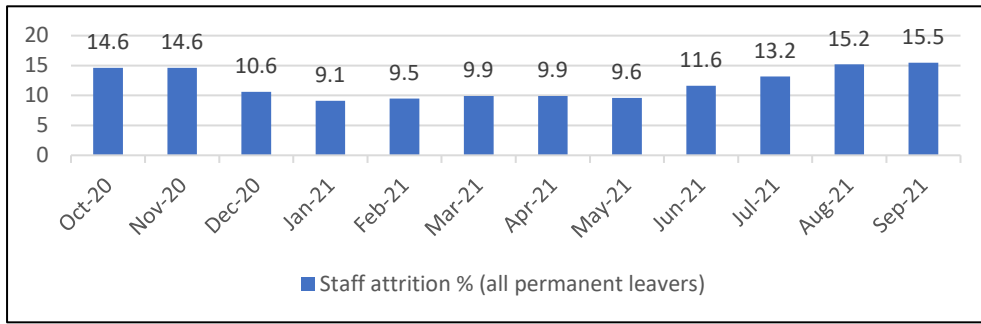
In progress (either out to advert or in selection process)				
Job title	No of vacancies to fill (heads)	FTE		Type of vacancy
Operations Manager	1	1	0	Permanent - Offer made 24/09/21
Investigator (Sept. Recruitment)	30	30	Assessments started	Permanent
GET Advisor	TBC	TBC	Assessments started	Permanent
Inbound Call Handler	TBC	TBC	Assessments started	Permanent
Total	31	31		

Total Operations recruitment to date	100
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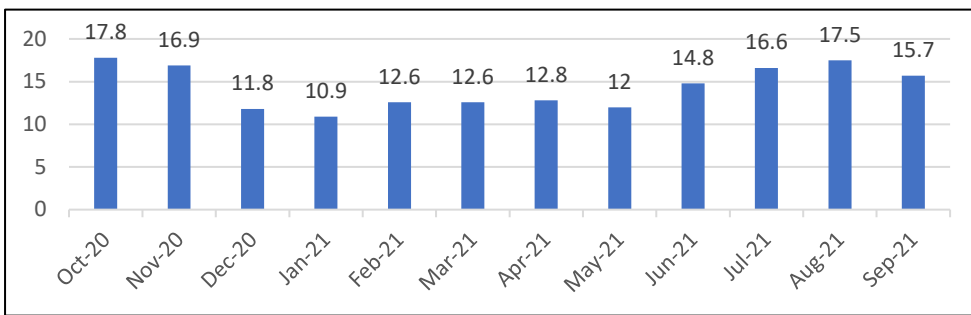
On the horizon				
Job title	No of vacancies to fill (heads)	FTE		Type of vacancy
Total	0	0		

Appendix 2

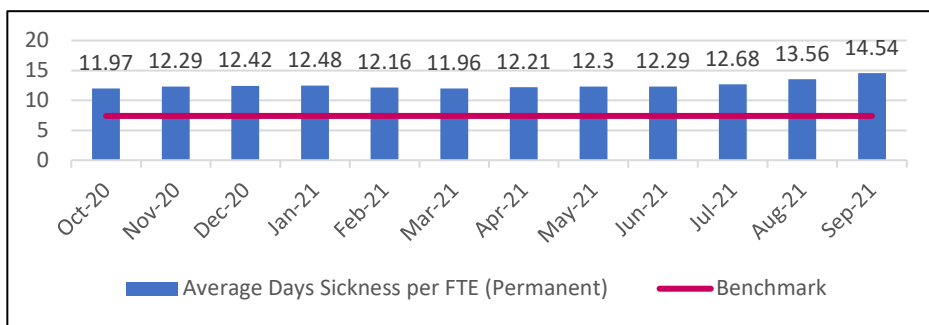
Staff retention - attrition



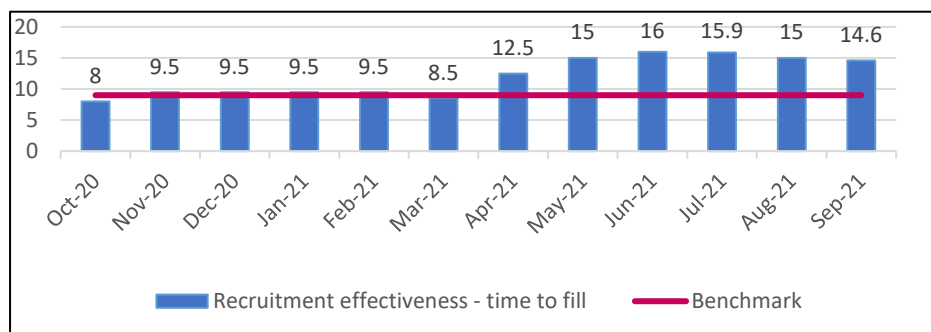
Investigator retention - attrition



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 June and stands at 15.5% in September 2021. Investigator attrition stands at 15.7%, a 1.8% decrease since August.
- **Sickness absence levels** have increased for the third month in a row to over an average of 14.5 days sickness per employee in a rolling year.
- **The time taken to fill vacancies** has reduced from 15 weeks in August to 14.6 weeks in September.