

Meeting	OLC Board	Agenda Item No.	8 118.6
Date of meeting	26 January 2022	Time required	15 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 current investigator recruitment, hard-to-fill Corporate roles and the hub strategy. Appendix 1 provides an overview of this year's recruitment activity up to 17 January 2022. • HR metrics – this section highlights the increase in December attrition plus the number of resignations received in December (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. • Covid – this section provides information on LeO's previous approach to the pandemic and our management of the impact of Covid on the business going forward. • Update on key HR priorities/activities – this section provides an update on priority people-related activity, including the 2021 Civil Service People Survey, the proposed restructure of the HR function and HR policy review.
Recommendation/action required
Board is asked to note the People Report.

PEOPLE REPORT – JANUARY 2022

1. Introduction

- 1.1 This report provides an update on key people-related activity as at 17 January 2022.

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 17 January 2022.
- 2.2 At the December Board meeting an update was provided on the latest investigator recruitment campaign, which went live on 18 November 2021. The Board will be aware that previous local campaigns had failed to recruit sufficient numbers of investigators, so our recruitment strategy was changed; for the first time we ran a national campaign and engaged an external recruitment partner (TMP) to provide support with the anticipated increase in applications and free up valuable operational resource.
- 2.3 The campaign was extremely successful. 851 applications were submitted, of which 144 were selected for the assessment/interview stage. The selection process is taking place between 6th and 18th January; we are aiming to recruit between 38-43 FTEs, which will ensure a full complement of investigators going into the 2022/23 business year and also build in capacity for future attrition. This is vital to achievement of our 2022/23 business plan.
- 2.4 As a result of the national campaign applications were received from a range of locations. As part of the selection process discussions will be held with successful candidates on the working model to be applied (i.e., hybrid or 100% home-working). Extensive legal advice has been taken on the management of a potentially 'split' investigator workforce and operational managers will be working closely with HR to ensure appropriate application of flexible working arrangements in keeping with legal advice.
- 2.5 A number of Corporate posts continue to prove hard to fill. At the time of writing this paper the Risk Manager, Project Manager and Quality Manager posts remain unfilled. It is also proving challenging to recruit to the vacant Executive Assistant and Executive Support Assistant posts.
- 2.6 At its December meeting the Board was briefed on LeO's emerging hub strategy. This entails diversifying away from a single-site location in Birmingham to 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.

- 2.7 The project is currently in a proof-of-concept stage, with a site visit conducted in early January to a potential location in Cardiff. Applicant spread from the national investigator campaign is also being scrutinised to identify 'pockets' of higher applications within particular areas to match to potential hub locations.
- 2.8 As noted above the project is in its early stages but it offers another lever for stabilising recruitment and retention levels within the workforce. The availability of hub locations when running national recruitment campaigns also facilitates application of the same hybrid working model in place at the Birmingham office.

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 22.4% in December 2021. Six permanent staff left the business in December, 4 of whom were from Operational roles, 2 from Corporate. Investigator attrition now stands at 23.4%, an increase of 3.4% since November. Corporate attrition has also increased; it stands at 28.9% in December, increasing from 26.8% in November. Four resignations were received in December – 1 Investigator, 1 Level One Ombudsman and 2 colleagues from Corporate.
 - As advised previously, 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 continued focus on operational performance variation, which has resulted in some employees leaving the business. In addition, 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 currently underway to form a full picture of comparability for all roles in LeO. The full results of this will be available at the end of March and will be used to plan actions going forward, which will be shared with RemCo and the Board.
 - Other activities aimed at reducing attrition will include:
 - Detailed analysis of the recent People Survey to identify issues which may be impacting retention, which will then inform specific actions to address
 - Implementation of a new developmental performance management framework (further detail is given in section 5.3 below)

- Active promotion of LeO's Celebrating Success scheme – dedicated 'champions' have been assigned to Corporate and Operations to drive up nominations
 - An end-to-end review of recruitment and induction. A key part of this is attraction and retention strategy, which will link with emerging findings from the benchmarking exercise and include research into other employers' initiatives to identify good/successful practice. In addition, GIAA are currently undertaking an audit of recruitment; it is hoped that this process will also identify improvements to the current recruitment and onboarding process.
- **The time taken to fill vacancies** has reduced slightly to 12.5 weeks. The review of recruitment and induction referenced above also includes improving the candidate journey and efficiency of the recruitment process. Further reporting is currently being 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** show an average of 15.34 days of sickness per employee in a rolling year. Sickness absence fell slightly in December (384.5 days lost due to sickness in December, compared to 416 in November) at a cost of £44,722. However, a reduction in sickness absence is generally observed in December due to the higher rate of annual leave being taken during this period. Of the 384.5 days, 214 (55.7%) were lost as a result of the long-term sickness of 13 individuals, 8 of whom are investigators.
 - Sickness absence due to mental health was the main reason for sickness in November; this month has seen a shift to Covid-19 as the main cause (93 days), with 15 colleagues affected, 10 of whom were investigators. Of these 15, 9 were unwell for a period of a week or more and 2 were on long-term sick leave (i.e., 28 days or more) with long-Covid symptoms. Absences due to vaccination reaction are also being monitored; these were relatively low in December, with 5 days' absence reported across the whole business.
 - Absence due to mental health continues to be a significant reason for absence, although it reduced to 80 days in December (106 in November). As noted in previous reports, mental health has been, and continues to be a focus for LeO. During November HR ran case clinics to provide guidance and support to managers on return to the office issues as they arose, with a particular emphasis on wellbeing and reasonable adjustments. 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. Building on the wellbeing workshops, feedback and EDI consultation, throughout January LeO will be running a wellbeing 'spotlight' initiative, which includes signposting to wellbeing apps; introducing 'buddy circles' where colleagues meet to share resources and support each other on health and wellbeing issues; and a 'Blue

Monday' quiz with tips on how to deal with mid-January blues, supported by a series of blogs and articles on the subject.

- Absence due to surgery increased for the third month in a row (October – 38 days, November – 40 days, December – 46 days) as a result of hospitals beginning to work through the backlog of procedures paused during lockdown. We expect to see this figure reduce in January as public health focus is given over to the provision of booster vaccinations; HR will continue to monitor this trend going forward.
- As part of a wider approach to addressing the concerning levels of sickness absence, the current absence management policy (including absence 'triggers') and absence processes have been reviewed to ensure a more rigorous policy and process that are fit for purpose and reflect good absence management practice. The revised policy will come to the RemCo meeting 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'.

4 Covid Update – Our Response Going Forward

4.1 When the first national Covid lockdown was implemented in March 2020, a number of decisions were taken in response to the pandemic by LeO's management team at that time. In addition to the enforced move to 100% home-working, the following was agreed:

- Sickness absence management processes were suspended, and Covid-related absence did not contribute to sick pay entitlement. In effect, there were no implications for staff on long-term sick leave, who, despite their length of absence, remained on full pay when ordinarily sick pay would have been exhausted. This also meant that they did not receive any support from Occupational Health or HR in managing a return to work at an earlier stage
- Probation reviews and other performance support/management processes were put on hold
- Paid 'special leave' was introduced as an alternative to using annual or flexi-leave, to support staff in managing the impact of the pandemic on childcare/caring responsibilities
- Staff were able to carry over up to 10 days' annual leave into the 2021/22 leave year (the usual approved maximum carry-over being 5)

- Managers were advised to manage by behaviours rather than just by outcomes in response to the new fully-remote working arrangements.
- 4.2 These arrangements were put in place in response to exceptional, unprecedented times. However, they have had a detrimental impact on LeO's performance during 2021/22: the use of special leave and the ability to carry over an increased amount of annual leave led to reduced availability of staff resource which was not factored into business planning and performance assumptions, and the suspension of key HR processes resulted in a backlog of employee casework which the HR team has struggled to support and progress in a timely manner. The shift from managing by outcomes to behaviours has also created challenges when addressing performance variation within Operations and drove a real change in culture.
- 4.3 The above arrangements were reviewed in August/September 2021 following the easing of the second national lockdown restrictions, with pre-Covid arrangements reinstated in relation to HR processes. The Board will also be aware that following the return to the office LeO trialled a revised hybrid working model (40%/60% office-/home-based) which was agreed just before implementation of the Government's Covid 'Plan B' in December 2021. This hybrid model will be reinstated when the current Government guidance on working from home is relaxed.
- 4.4. As noted above, we have seen an increase in Covid-related sickness as a result of the Omicron variant (93 days lost in December, affecting 15 colleagues, 10 of whom were investigators). Whilst it is difficult to accurately predict future levels of Covid-related sickness absence, we are closely monitoring the potential impact on our performance trajectories, recruitment, induction, etc. through ongoing review of performance data and scenario modelling which will be tested through the monthly Business Performance Reviews. As has been the case previously, we will continue to follow Government guidance and have a well-established process for prompt response to Covid-related issues and changing Government guidance through Command Team.
- 4.5 We are taking a 'business as usual' approach in relation to HR activity; there is no intention to revert to the arrangements outlined in 4.1.

5 Update on HR Priorities/Activities

5.1 People Survey – Headline Update

- 5.1.1 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%.

5.1.2 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.

5.1.3 In analysing the results, MoJ have given a clear steer that the 2021 results should be compared to those of 2019 rather than 2020, given the exceptional, one-off nature of that year as a result of Covid and the impact of lockdown, therefore affecting meaningful comparison.

5.1.4 Detailed analysis of the survey results will be a substantive agenda item for discussion at the RemCo meeting on 8 February. A detailed analysis of findings and associated actions will then be brought to the March Board meeting. However, for the purpose of this paper the following very high-level points are shared to give an indication of emerging themes/issues.

5.1.5 The survey is grouped into the following core 9 core themes:

- My work
- Organisational objectives and purpose
- My manager
- My team
- Learning and development
- Inclusion and fair treatment
- Resources and workload
- Pay and benefits
- Leadership and managing change.

5.1.6 With the exception of the learning and development theme, all others showed an increase in satisfaction when compared to 2019. The most improved themes were:

- Leadership and managing change (+20%)
- Inclusion and fair treatment (+16%)
- My work (+14%).

5.1.7 The least improved themes were:

- Learning and development (-1%)
- My team (+2%)
- My manager (+5%).

5.1.8 The People Survey also includes 5 statements to measure employee engagement. These are:

- I am proud when I tell others I am part of my organisation
- I feel a strong personal attachment to my organisation
- My organisation inspires me to do the best in my job
- My organisation motivates me to help it achieve its objectives
- I would recommend my organisation as a great place to work.

5.1.9 Responses to these statements are combined into a summary index score to show where our organisation sits on a scale of very disengaged (0%) through to very engaged (100%). In 2021 our engagement index was 50%, an increase of 8% compared to 2019.

5.1.10 Another measure contained within the People Survey is the 'PERMA' index. This measures the extent to which employees are flourishing at work. It is based on the work of psychologist Martin Seligman and looks at 5 dimensions of wellbeing and happiness; a score of 100% represents the most positive response possible to all five questions, with a score of 0% being the opposite. LeO's PERMA index increased by 4% in 2021 (71%, compared to 67% in 2019).

5.1.11 As noted above these are high-level findings and need to be considered further within the context of the overall survey, the detail of which will be shared with RemCo and the Board as advised in 5.1.4. The findings will also be shared across the business and will be supported by specific actions that will inform the People Strategy and EDI Strategy going forward.

5.2 Proposed HR Restructure

5.2.1 The Head of People Strategy and Services took up post on 15 June 2021. On appointment she began the process of reviewing all aspects of the HR function, including the current structure of the HR team. A review of the HR function and team structure has now been completed and approved by the Executive. Formal consultation on the proposed structure will commence with the HR team week beginning 24 January 2022; the proposal will also be shared with managers and Staff Council.

5.2.2 The detail of the restructure and an update on progress will be shared with RemCo at its meeting on 8 February.

5.3 HR Policy Review

5.3.1 A key priority of the re-focused People Plan was a review of all HR policies. Currently many are weak, particularly those related to performance. It is essential that these policies in particular are rigorous, fit for purpose and able to provide a strong, structured framework in which performance issues can be managed fairly and consistently and managers and employees are clear on

expectations and the ways in which performance issues will be addressed and supported where appropriate.

- 5.3.2 Work on the creation of a Developmental Performance Management Framework is currently underway; it takes a holistic view of performance management, pulling together key performance-related policies as well as complementary activity such as learning and development and organisational development. It has been prioritised for its impact on the business as it will provide the driver for aligning employee objectives to business plan priorities, appraisal, employee development, and recognising good performance.

- 5.3.3 The new Developmental Performance Management Framework and the key performance-related policies that support it will be presented for discussion at the RemCo meeting on 8 February, following consultation with the Executive, management team and the Staff Council. The policies will be subject to equality impact assessments and the EDI Manager will be fully consulted to ensure EDI implications are given detailed consideration.

Roles filled from 1 April 2021 to 17 January 2022

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	FTC
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
Payroll Officer	1	1	0	Agency
Assistant Organisational Development Partner	1	1	0	FTC to 31st March 2022
Performance Analyst	1	1	0	Permanent - Started 4th Jan. 2022
Legal Manager	1	1	0	Planned Start date - 21/03/2022
Stakeholder & External Engagement Manager	1	0.5	0	Part-time worker - 6 months FTC - Started 14th Dec. 2021
Health & Safety and Facilities Officer	1	1	0	Permanent - Started 5th Jan. 2022
Total	27	26.50	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
Interim Governance Lead	1	0.5	0	3 month Contract
Project Manager	1	1	0	Permanent
Enterprise Risk Manager	1	1	0	Permanent

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 - Started Jan. 2022
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)	38-43 TBC	TBC	TBC	National TMP Campaign
GET Advisors (from Sept 2021 Campaign)	2	2	0	Started - 22/12/2021
Level 1 Ombudsman	5	5		Permanent

Executive Assistant	1	1	0	Permanent
Executive Support Assistant	1	1	0	Permanent

Total	5	4.5	0	
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Total corporate recruitment to date	32
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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
Total	2	2		

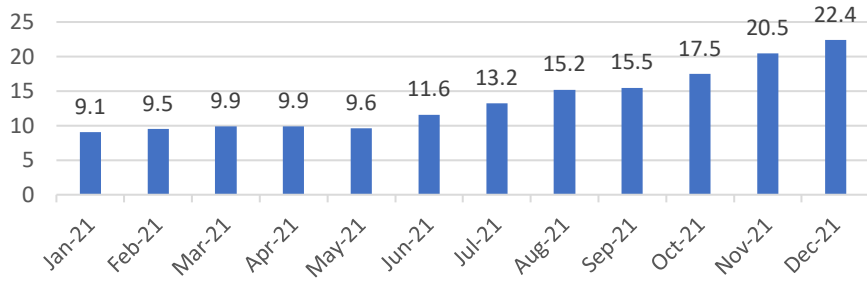
Customer Experience Specialist	1	1	TBC	Internal Recruitment ONLY
Total	27			

Total Operations recruitment to date	119
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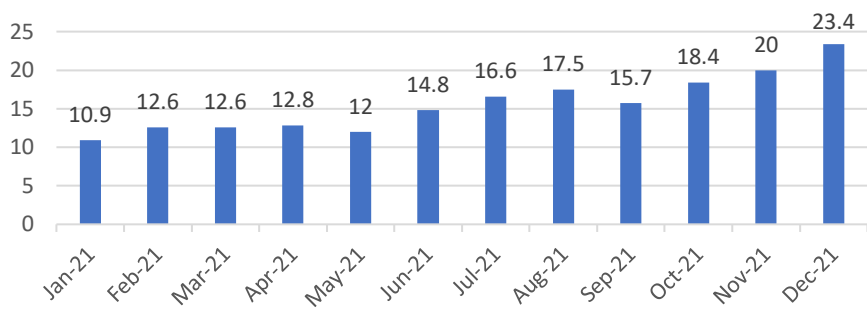
On the horizon/to be re-advertised				
Job title	No of vacancies to fill (heads)	FTE		Type of vacancy
Total				

Appendix 2

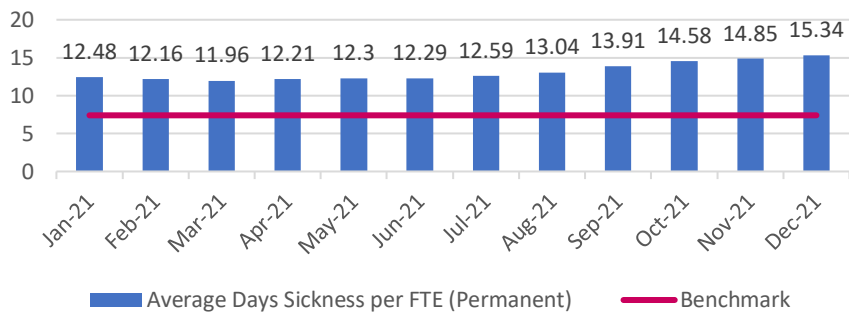
Staff retention - attrition



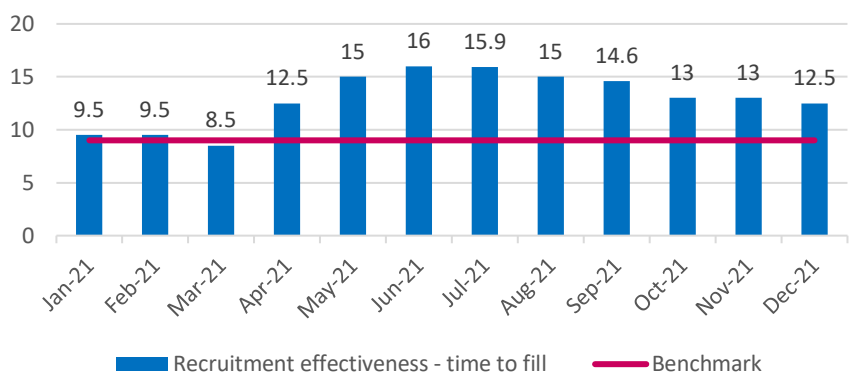
Investigator retention – attrition



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 22.4% in December 2021. Investigator attrition stands at 23.4%, a 3.4% increase since November.
- **Sickness absence levels** show an average of 15.34 days sickness per employee in a rolling year.
- **The time taken to fill vacancies** has fell slightly to 12.5 weeks in December.