

Meeting	OLC Board	Agenda Item No.	8
		Paper No.	119.5B
Date of meeting	31 March 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> <p><u>Recruitment</u></p> <p>This section provides an update on current investigator recruitment: 39 new investigators joined the business over a 2-week period in March and are being supported by a comprehensive onboarding process.</p> <p>Some progress has been made in recruiting to previously identified hard-to-fill Corporate roles: appointments have been made to the Legal Manager, Risk Manager, Executive Assistant and Executive Support Assistant posts.</p> <p>Appendix 1 provides an overview of this year's recruitment activity up to 21 March 2022.</p> <p><u>HR metrics</u></p> <p>This section highlights an increase in February attrition following a slight decrease in January (22.9%, compared to 21.8% in January). The number of days of sickness absence fell in February (286.5 days lost due to sickness in February, compared to 380.8 in January). The time taken to fill vacancies remained static at 12.5 weeks. Headline data is shown in Appendix 2.</p> <p><u>Attrition</u></p> <p>This section expands on the attrition metrics covered in Section 2. It details actions to reduce attrition as highlighted in the 2022/23 Business Plan and extended further in the new 2022/23 People Strategy.</p> <p><u>Update on key HR priorities/activities</u></p> <p>This section provides an update on priority people-related activity in relation to the new HR structure, which will see recruitment to 7 new permanent posts commence shortly, and an update on the status of HR policy review. Seven performance-related policies have been developed and/or been subject to major re-writes and all have been approved by RemCo; 4 HR policies are currently undergoing consultation.</p>
Recommendation/action required
Board is asked to note the People Report.

PEOPLE REPORT – MARCH 2022

1. Introduction

- 1.1 This report provides an update on key people-related activity as at 21 March 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 21 March 2022.
- 2.2 The Board has continued to receive regular updates on the November national recruitment campaign for investigators. The selection process took place between 6th and 18th January; LeO's aim was to appoint a minimum of 38 full-time equivalent investigators, with capacity to increase that number to 43, so that we would go into the 2022/23 business year with a full complement of investigator resource with some provision built in for anticipated attrition. On conclusion of a highly successful recruitment campaign, we appointed 46 individuals. Seven of these subsequently declined the job offer having originally accepted, one citing better pay for a London-based role as the reason, the other negative reviews about LeO. Reasons for the others are unknown.
- 2.3 LeO has seen 39 new investigators (37.4 FTEs) join the business over a two-week period (weeks commencing 7th and 14th March). A comprehensive onboarding process has been put in place for these recruits, which commenced on 7th March and will run to 12th April.
- 2.4 As a result of the national campaign 31 of the 39 new recruits live outside of the agreed commutable distance to LeO's Birmingham office. These individuals have been offered home-working contracts. LeO's employment contract and associated paperwork have been reviewed to ensure they are fit for purpose for this working model; in addition, we have future-proofed the concept of hubs, with all our nationally based candidates being clear on the requirement to work to LeO's current hybrid working model (60%/40% home-/office-based) in the event of a hub being set up within a one-hour commute of their home.
- 2.5 Some progress has been made in recruiting to identified hard-to-fill Corporate posts. Appointments have been made to the Legal Manager, Risk Manager, Executive Assistant and Executive Support Assistant posts. At the time of writing this paper discussions are taking place to explore the feasibility of re-engaging TMP to support the recruitment of 8 Investigators, the Quality

Manager, Legal Executive/Junior Lawyer, Quality Officer/Auditor and Service Complaints Officer posts, with a view to these being based in Cardiff. Such a move would progress LeO's plans to diversify from a single-site location in Birmingham to small hubs, potentially using MoJ estate, acknowledging that our employment offer may be more attractive in other UK cities where the market is less saturated with competitors requiring similar skills.

2.6 Also noteworthy for the recruitment section of this paper is that during the period 1 April 2021 to beginning of March 2022, 34 individuals were internally promoted across a range of Operational roles, as detailed below:

- 7 Call Handlers to GET Advisor roles
- 8 GET Advisors to GETi roles
- 1 GETi to Investigator role
- 1 GET Advisor to Operations Manager PA
- 8 Investigators promoted to Level 1 Ombudsman roles
- 3 Level 1 Ombudsmen promoted to Level 2 Ombudsman roles
- 2 Investigators promoted to Team Leader roles
- 2 Level 2 Ombudsmen promoted to Senior Ombudsman roles
- 1 Level Ombudsman promoted to Complaints role
- 1 Investigator promoted to Legal role.

2.7 In addition, 39 Operational staff are involved in pilots which will support skills development and future career opportunities and development. The creation of career pathways and promotion opportunities is key to supporting talent management and succession planning strategy, on which the 2022/23 People Strategy will continue to build. It also begins to address feedback from the recent People Survey, where a lack career progression/development opportunities was identified as an issue.

3 HR Metrics

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

- **Attrition** saw a slight decrease in January 2022 to 21.8% after month-on-month increases during the period May to December 2021 but increased again by 1.1% to 22.9% in February 2022. Seven permanent staff left the business in February, all of whom were from Operational roles – i.e., 4 Investigators, 1 GET Investigator and 2 Ombudsmen. Investigator attrition fell slightly in January 2022 to 22.5%, but now stands at 23.2%, an increase of 0.7%. Corporate attrition has decreased - it now stands at 26.4%, a decrease of 2.4% compared to January. Eleven permanent staff will be leaving the business in March (7 from Operations, 4 from Corporate). Section 4 below provides further commentary on attrition and mitigating actions identified through the 2022/23 Business Plan and People Strategy.

- **The time taken to fill vacancies** has remained static at 12.5 weeks. The planned review of recruitment and induction will include improving the candidate journey and efficiency of the recruitment process. 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.
- **Sickness absence levels** show an average of 15.76 days of sickness per employee in a rolling year. The number of days of sickness absence fell slightly in February (286.5 days lost due to sickness in February, compared to 380.8 in January) at a cost of £32,586. Of the 286.5 days, 175 (61.1%) were lost as a result of the long-term sickness of 12 individuals, 7 of whom are investigators.
- As was the case in January, sickness absence due to Covid was the main reason for absence in February (106 days, a decrease compared to the January Covid figure of 195 days). Fourteen colleagues were affected, 10 of whom were investigators. Of these 14, 7 were unwell for a period of a week or more and 5 were on long-term sick leave (i.e., 28 days or more) with long-Covid symptoms.
- Absence due to mental health continues to be a main reason for absence but remained broadly static at 83 days in February (88 days in January). Six individuals were absent for this reason, 4 of whom were investigators. Of these 6 colleagues, 5 were unwell for a period of a week or more and 4 were on long-term sick leave (i.e. 28 days or more) with symptoms of poor mental health. As noted in previous reports, mental health has been, and continues to be a focus for LeO. Over the last 4 months a number of activities have taken place: a series of workshops was delivered by an external provider (Bailey and French); 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 ran a wellbeing 'spotlight' initiative, which included signposting to wellbeing apps; introducing 'buddy circles' where colleagues meet to share resources and support each other on health and wellbeing issues; and a series of blogs and articles on the subject of mental health and available support. In recognition of the impact of the distressing situation in Ukraine, colleagues were signposted to the Employee Assistance Programme to access support if needed.
- February also saw an increase in surgery-related absence (42 days, compared to 29 in January), as a result of hospitals continuing to work through the backlog of procedures paused during lockdown. As predicted, this figure reduced slightly in January as procedures were once again paused to support the national roll-out of booster vaccinations.
- 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 was approved by RemCo in February 2022 and will go live in April 2022, supported by training for managers on application of the policy and the effective management of absence.

- 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'. This work will form part of a wider review of HR management information.

4. Attrition

- 4.1 Reducing attrition rates across the business is a key priority for LeO going into the 2022/23 business year which has been acknowledged in LeO's 2022/23 Business Plan. As advised previously, there are a number of factors likely to be impacting on attrition, including the job market picking up as the country moves to recovery post-Covid, together with increased flexibility for employees; the increase in 100% homeworking opportunities has meant that job location is no longer an issue for job applicants, therefore widening the job options available to jobseekers.
- 4.2 The impact of LeO's continued focus on operational performance variation will also have resulted in some employees leaving the business, therefore impacting attrition rates. Further analysis of leavers from Operational roles during the period 1 April 2021 to 3 March was undertaken, with a view to assessing the impact of performance management on attrition rates. Of the 52 Operations leavers during this time, 16 left having failed/about to fail probation (31%) and 14 were 'non-regretted' due to performance issues (27%). Whilst subjective in some cases (as these individuals are unlikely to have given these reasons for leaving as part of the exit process), the information provides a useful context to some of the reasons individuals are leaving which are not linked to LeO's pay offer, terms and conditions, lack of career progression, etc. Additional feedback from the Operations Managers also indicated that 4 recent Ombudsmen who left LeO to take up new roles asked that their services be retained via the Ombudsmen pool resource, as they wished to retain their ties to LeO alongside their new jobs.
- 4.3 LeO does however acknowledge that having salaries and terms and conditions that are not competitive compared to other employers, which is the case for both operational and corporate roles currently, will impact attrition – likely in relation to those staff the business does not want to lose. 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 findings of which will be used to plan actions going forward, which will be shared with RemCo and the Board.

4.4 The 2022/23 Business Plan clearly identifies our need to reduce attrition and to attract and retain highly skilled and motivated people across all areas of the business. The following actions, contained within the business plan, outline some of the ways in which we will aim to attract, recruit and retain our people:

- Continue to invest in recruitment, onboarding and training new investigators to drive lower early attrition and help people reach their best performance at an earlier stage
- Support line managers who will be leading a changed workforce, where the balance between new and established investigators will be almost 50/50 and bring new leadership challenge and opportunity
- Learn the lessons from the attrition and exit data, alongside the pay benchmarking research to better understand what is needed for an attractive pay and benefits employee proposition
- Build on existing employee engagement mechanisms, supporting our aim of creating an engaged and inclusive culture and building on the results of our most recent People Survey
- Continue to actively promote health and wellbeing through a range of wellbeing initiatives and engagement activities, including support from our Wellbeing Champions, our Employee Assistance Programme, workshops, 'Buddy Circles' and the development of an ongoing wellbeing programme
- Develop a strategic approach to Equality, Diversity and Inclusion and embed it within our plans and priorities – with the aim of ensuring LeO is a diverse and inclusive employer, and supporting our people's wellbeing and performance
- Work with governance partners to remove the barrier to outsourcing elements of casework and allow greater flexibility of approach
- Develop a more agile approach to deploying people to priority areas
- Develop a wider attraction and retention strategy for the whole organisation
- Shift from being a single location business to a more dynamic location strategy including the use of a pilot hub model, learning from the impact of hybrid working and national recruitment. This has the potential to support learning and development, coaching and collaboration
- Investigate locations where the Legal Ombudsman's terms are competitive and target those areas for potential hub locations – diversifying from a single-site office and exploring the use of MoJ estate.

4.5 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 the new developmental performance management framework from April
- 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, the findings of the recent GIAA will also help to inform improvements to the current recruitment and onboarding process.

4.6 The above actions are also supported and extended by the new 2022/23 People Strategy, which identifies the need to reduce attrition as one of its headline themes.

5. Update on HR Priorities/Activities

5.1 HR Restructure

5.1.1 The proposed restructure of the HR service and team was shared with RemCo at its meeting on 8 February. Following conclusion of the consultation process, the recruitment of seven new permanent HR posts is now due to commence. This represents a completely new HR team working to new job descriptions and with different skills sets to those of the previous team. It is envisaged that going forward the new structure will result in a more responsive, collaborative and enabling HR service for the business and act as the driver for high quality people activity and further development and refinement of people strategy in subsequent years; however, in the short-term there will be significant challenges to be managed due to reduced HR resource pending the permanent appointments being made, and the time needed for the new team and structure to settle and embed. The impact of the new structure has been taken into account in the delivery of the People Strategy to enable appropriate prioritisation and realistic timescales for delivery; temporary support will continue to be utilised pending appointment to the new posts to maintain basic BAU during this time.

5.2 HR Policy Review

5.2.1 A key priority of the re-focused People Plan was a review of all HR policies. As previously reported to the Board, many are weak, particularly those related

to performance. These were therefore prioritised given the current lack of a structured, consistent performance management process within LeO and the detrimental impact this has on the business. As a result, many of the business-critical policies central to performance management and employee relations have been subject to significant updates/re-writes to provide more structure and rigour and ensure HR good practice and compliance with employment legislation. Because performance management integrates various HR activities, a new overarching Performance Management Framework has been developed to ensure the different parts work together. The new framework has been informed by the latest good practice and current HR thinking.

5.2.2 Good progress has been made on HR policy work. At its meeting on 8 February RemCo approved the following key documents:

- New Developmental Performance Management Framework
- Probation Policy
- Personal Development Review (new appraisal policy)
- Performance and Improvement Support Policy
- Sickness Absence Policy
- Disciplinary Policy
- Grievance Policy.

5.2.3 The final set of policies due for review this year are currently out for consultation with the Staff Council and Management Team. These are as follows:

- Redundancy Policy (to also be circulated to RemCo as an out-of-committee paper)
- Dignity at Work Policy
- Flexible Working Policy
- Time Off Work Policy.

5.2.4 The new/revised policies will be rolled out to the business via detailed comms. Training will be provided to managers on the key changes and application of the policies, with further training sessions on people management skills which will be delivered through a new Leadership and Management Development programme. Going forward, new policies will also be developed as part of the People Strategy.

Roles filled from 1 April 2021 to 21 March 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	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	1	1	0	FTC
Senior Ombudsman	1	1	1	Secondment
Internal Comms Manager	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
Performance Analyst	1	1	0	Permanent
Legal Manager	1	1	0	Permanent
Stakeholder & External Engagement Manager	1	0.5	0	FTC
Health & Safety and Facilities Officer	1	1	0	Permanent
Executive Support Assistant	1	1	0	Permanent
Executive Assistant	1	1	0	Permanent
Enterprise Risk Manager	1	1	0	Permanent
Customer Experience Specialist	1	1	1	Permanent
Data Analyst/Power BI Developer	1	1	0	Permanent
IT Development manager	1	1	1	Permanent
Total	33	32.50	6	

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	FTC
Project Manager	1	1	0	Permanent
Total	2	1.5	0	

Total corporate recruitment to date	35
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On the horizon/to be re-advertised				
Job title	No of vacancies to fill (heads)	FTE		Type of vacancy
Quality Manager	1	1		Permanent
Legal Executive/Junior Lawyer	1	1		Permanent
Head/Director of ICT	1	1		Permanent
HR restructure - 7 posts	7	1		Permanent
Quality Officer/Auditor	1	1		Permanent
Head of External Affairs	1	1		Permanent
Chief Operating Officer	1	1		Permanent
Total	13	7		

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 (July 2021)	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 2021)	11	11	0	Permanent
L2 Ombudsman	1	1	1	Secondment
Operations Manager	1	1	0	Permanent
GET Advisors (Sept. 2021)	6	6	0	Permanent
In-Bound Call Handlers (Sept. 2021)	2	2	0	Permanent
Investigator (Sept 2021)	13	13	0	Permanent
GET Team Leader	1	1	0	Permanent
Investigator (Nov 2021)	39	37.25	1	Permanent
GET Advisors (Sept 2021)	2	2	0	Permanent
Level 1 Ombudsman	3	3	2	Permanent
Total	136	132.94	21	

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
L2 Ombudsman	1	1		Secondment
Total	1	1	0	

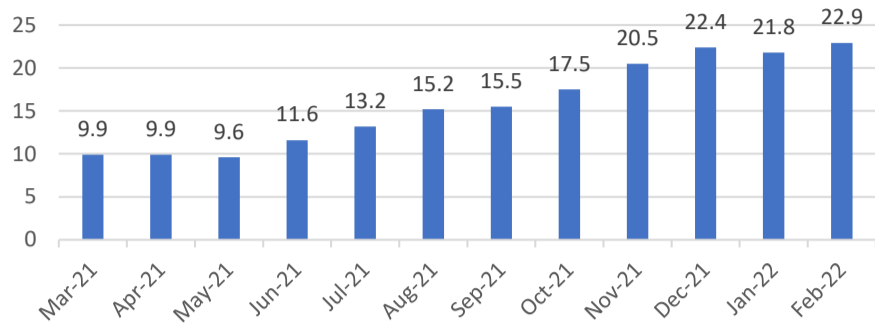
Total Operations recruitment to date **137**

On the horizon/to be re-advertised

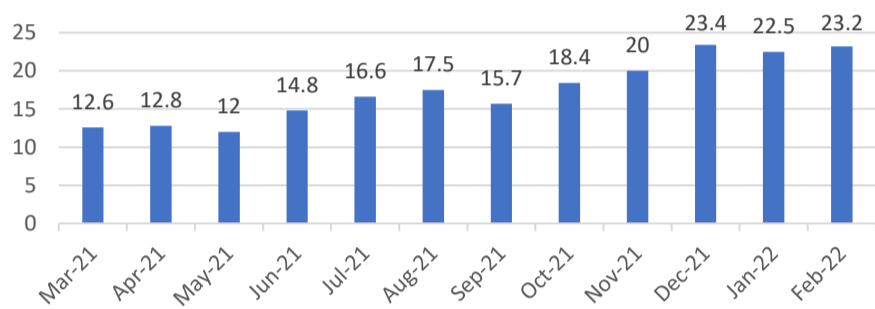
Job title	No of vacancies to fill (heads)	FTE		Type of vacancy
Investigator	7			Permanent
Total	7	0		

Appendix 2

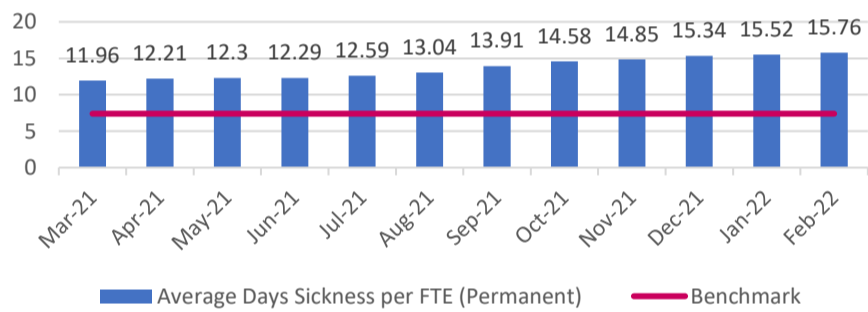
Staff retention - attrition



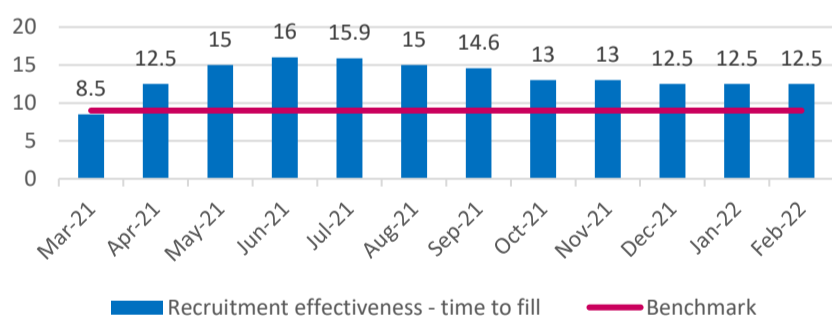
Investigator retention – attrition



Sickness, lost days per head



Recruitment effectiveness – time to fill (weeks)



Our Performance

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

- **Attrition** rates saw a slight decrease in January 2022 after month-on-month increases during the period May to December 2021 but increased again by 1.1% in February 2022. It now stands at 22.9%. Investigator attrition stands at 23.2%.
- **Sickness absence levels** have increased to an average of 15.76 days sickness per employee in a rolling year.
- **The time taken to fill vacancies** has remained static at 12.5 weeks in February 2022.