

Meeting	OLC Board Meeting	Agenda Item No.	5
		Paper No.	112.4C
Date of meeting	15 September 2022	Time required	10 minutes

Title	Quarterly People Report – Q1 2022/23
Sponsor	Debbie Wright, Head of People Strategy & Services
Status	OFFICIAL

Executive summary
<p><u>HR metrics</u></p> <p>This paper provides a review of LeO’s people-related performance metrics for Quarter 1 (April to June 2022) for the following:</p> <ul style="list-style-type: none"> • Attrition – during the quarter overall attrition fell from 26.3% (the highest level seen over the last 12 months) to 24.9% in June • Sickness - Q1 saw an increase in sickness absence month-on-month (an average of 16.05 days per employee in April, 16.14 in May and 16.31 in June) • Recruitment (time to fill) – this remained static over this quarter at 12.7 weeks. <p><u>Update on key HR priorities/activities</u></p> <p>In addition to the HR performance data, this paper also takes the opportunity to provide Board members with an update on recruitment to the new HR team and a high-level update on the implications of resourcing challenges on delivery of the People Strategy, pending a detailed out-of-committee paper for RemCo prior to its November meeting.</p>
Recommendation/action required
Board is asked to note the Quarterly People Report.

QUARTERLY PEOPLE REPORT:

Q1 2022/23

1 Introduction

- 1.1 This report provides a review of key people-related metrics for the period April to June 2022 (Quarter 1). An update on recruitment of the new HR team and a high-level update on the implications of resourcing challenges on delivery of the People Strategy are also provided.

2 HR Metrics

2.1 Attrition

- 2.1.1 Attrition figures are currently collected on a monthly basis over a rolling 12-month period; at the start of quarter 1 (April) overall attrition stood at **26.3%**, the highest level seen over the last 12 months (September 2021 to August 2022). It fell slightly to **26%** in May, then fell by a further 1.1% to **24.9%** in June.
- 2.1.2 There were a total of **14** leavers during Q1, all of whom were from Operational roles. Eleven of these were investigators, 2 were Ombudsman and 1 was from GET.
- 2.1.3 Over the quarter investigator attrition was highest in April at **27.7%**, falling to **27%** in May and then to **26.2%** in June. Five investigator leavers during the quarter were new national recruits appointed in March 2022 on 100% home-working contracts; 2 cited their reason for leaving as having underestimated the isolation element of working from home, having come from office-based roles previously, the remaining 3 felt that the job was not what they expected.
- 2.1.3 Of the remaining 9 leavers, 3 were 'non-regretted'; 1 resigned after a sustained period of long-term sick leave, and 2 resigned as a result of informal and formal conversations about poor performance and/or behaviours. The 2 Ombudsman leavers resigned from their permanent roles and were regretted, but their services were retained via the ombudsman pool.
- 2.1.4 Reducing attrition remains a key focus for LeO. As advised previously, there are a number of factors likely to be impacting on attrition, including a buoyant job market and 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 and shifting the labour market from local to national.
- 2.1.5 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. This trend is likely to continue – the new HR policies

are now 'live' so implementation of the performance-related ones will begin to have impact.

2.1.6 The need to reduce attrition was identified as a key priority of the People Strategy and will remain so for the remainder of the year. Further detail on People Strategy priorities will be shared with RemCo as an out- of-committee paper (see section 3 below).

2.2 Recruitment – Time to Fill

2.2.1 The time taken to fill vacancies has remained static over quarter 1, standing at **12.7** weeks in April and May and **12.75** in June. An end-to-end review of recruitment policy and associated processes is currently underway, which will focus on 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.

2.3 Sickness Absence

2.3.1 Q1 saw an increase in sickness absence month-on-month (an average of **16.05** days per employee in April, **16.14** in May and **16.31** in June). During the quarter 455 days were lost as a result of long-term sick leave (17 individuals, 11 of whom were investigators).

2.3.2 The main reason for sickness absence varied over the quarter; Covid was the main reason in April (**75** days lost) but fell to **18.35** days by June. Absence due to mental health remained broadly static during April and May (**103** days and **102.5** respectively) but rose slightly to **120** in June. Fifteen individuals were absent for this reason over the quarter, 10 of whom were investigators. Of these 15, 8 were on long-term sick leave (i.e., 28 days or more) with symptoms of poor mental health.

2.3.3 Q1 saw a higher level of absence due to surgery/post-operative recovery than usual (**102** days), largely due to hospitals continuing to work through the backlog of procedures paused during lockdown.

2.3.4 The cost of sickness absence in April was **£34,642**, reducing to **£30,211** in May then increasing to **£33,404** in June.

2.3.5 As noted above, the new HR policies were rolled out in July, including an improved Absence Management Policy. It is envisaged that application of the new policy, supported by training for managers in effective absence management as part of the new leadership development programme, will begin to have impact going forward.

3 Update on HR Recruitment and Resources

3.1 The planned schedule for recruitment of a new HR team was, along with other LeO vacancies, adversely affected by the MoJ's delay in granting approval to advertise. This was finally received in late June. All the HR roles within the new structure have now been advertised and recruitment to the posts has

commenced. An appointment has been made to the Senior HR Services Business Partner post; the successful applicant will commence employment on 1 November. Interviews for the 2 HR Business Partner posts took place on 7 September; at the time of writing this paper one candidate has accepted the role and is able to start with immediate effect, the other is still to confirm. Interviews for the HR Coordinator post (currently being covered by an agency member of staff) and the Payroll/HR Administrator post are scheduled for 16 September.

- 3.2 The delay in appointment of the new HR team has exacerbated the already significant resourcing challenges in HR. Currently the only permanent members of the HR team are the Head of People Strategy and Services and the Strategic Business Partner, who has now resigned following her appointment in April and is due to leave the business in early October. The post is currently being advertised and will close on 14 September; it is unlikely that any successor will be able to take up post until the new year.
- 3.3 In the light of these resourcing challenges, and taking account of feedback from Board members at previous meetings, the Head of People Strategy and Services met with the new RemCo Chair to discuss the impact of the resourcing issues on the implementation of the People Strategy and to outline her view on the key areas of focus for the remainder of the business year. The proposed plan going forward will be circulated for consideration by RemCo as an out-of-committee paper prior to its November meeting; following RemCo feedback the plan will then be shared with Board members.