

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PERSONNEL COMMITTEE

Agenda Item No.

meeting date: WEDNESDAY, 10 JUNE 2015
 title: STAFF TURNOVER
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To report information on staff turnover at Ribble Valley Borough Council for the period 1 April 2014 to 31 March 2015.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – An increase in turnover across the authority provides an indication of potential issues that can be addressed in order that the situation does not have any detrimental effect on service delivery.
- Corporate Priorities – Staff turnover has an impact on the efficiency of service delivery due to the direct cost of recruitment and administration and also the indirect cost of time taken to train new staff in the systems and procedures of the authority. A high level of staff turnover can have a detrimental effect on service delivery where years of experience, skills and knowledge may be lost and it takes time to train up any replacement members of staff. Monitoring staff turnover supports objectives and actions within the Corporate Performance and Improvement Plan. Ongoing monitoring will allow us to identify and minimise risk as well as benchmarking against national statistics.
- Other Considerations – None.

2 BACKGROUND

2.1 The information in this report provides an update on the Council's staff turnover.

3 ISSUES

3.1 Turnover rate is calculated using the following formula:

$$\frac{\text{Number of leavers in the specified period ie 1 April 2014 to 31 March 2015}}{\text{Total number of staff on the payroll as at the final day of the period ie 31 March 2015}} \times 100$$

3.2 Based on the above formula, it is possible to provide the following information:

<u>Year</u>	<u>Turnover rate at Ribble Valley Borough Council</u>
2003	14%
2004/2005	15%
2005/2006	16.17%
2006/2007	15.73%
2007/2008	22.61% (TUPE transfer of housing section staff to Ribble Valley Homes)
2008/2009	14.92%
2009/2010	12.42%
2010/2011	10.98%
2011/2012	11.21%
2012/2013	9.01%
2013/2014	13.25%
2014/2015	12.08%

3.3 Although there has been a general downward trend during the last few years. Last year's staff turnover saw a marked increase, and whilst this has steadied a bit this year, it is still higher than in previous years. In number terms there were 31 leavers last year compared to 29 this year. The total number of staff on the payroll as at 31 March 2014 was 234 compared to the total number of staff on the payroll at 31 March 2015, which was 240.

<u>Year</u>	<u>Number of leavers</u>	<u>Total number of staff</u>
2012/2013	21	233
2013/2014	31	234
2014/2015	29	240

3.4 The number of leavers who have retired, been dismissed or left at the expiry of a fixed term contract has not materially changed in the last 2 years. It is the number of voluntary resignations which has increased.

3.5 The split of leavers by directorate is below:

	<u>% of leavers by directorate</u>	<u>Total number of staff in department at 31 March 2015</u>
Resources	10%	64
Community Services	69%	127
Chief Executive	21%	49

3.6 Data from the Chartered Institute of Personnel and Development's annual recruitment and retention surveys has previously been included for comparison against the authority's turnover figures. However, the CIPD have stopped producing data in a comparable format.

3.7 All leavers at the authority are offered the opportunity of an exit interview and most do use this opportunity to express their general satisfaction with the authority and their post and to say how much they have enjoyed their time at Ribble Valley. However, it is apparent from these interviews that the main reasons for staff leaving continue to be:

1. Career progression;
2. improved rates of pay.

3.8 With regard to opportunities for career progression, the authority has a relatively flat structure and has limited scope to offer opportunities for career development. Training and development of staff is something which the authority encourages despite the fact that it can lead to staff seeking out opportunities at other organisations. As well as qualification training, we offer day courses and other training opportunities. The authority does however safeguard investment in qualification training by requiring employees to sign a training contract, which ties them into paying back 75% of the course fees if they leave within one year of completing the qualification, or 50% of the course fees if they leave within two years of completing the qualification. We also try to offer opportunities to broaden skills and experience by moving departments or changing roles not necessarily by going higher up the authority.

3.9 With regard to salary levels and rates of pay, we now have a more scientific approach to salary levels following job evaluation. We are aware of salary levels within other neighbouring authorities and generally salaries have a greater impact on our ability to recruit staff rather than to retain them. All posts are on a grade which allows progression through an incremental scale – usually made up of 4 spinal column points or increments. Staff also have a formal opportunity to have their job description reviewed each year as part of the appraisal process.

- 3.10 It is important to point out that salary is only one element of the total remuneration package and as a local authority we continue to offer other benefits such as training, flexible working hours, and the Local Government Pension Scheme. We are continuously reviewing and introducing policies, which enable employees to achieve a good work life balance.
- 3.11 As part of the Equality Act 2010, we are now required to publish detailed data on our workforce profile. This includes much more detailed information about staff turnover and about those joining or leaving the authority than has previously been collected. The collation of this more detailed information should help us more easily identify trends and any potential issues.
- 3.12 It can also be said that it is healthy to have a certain amount of movement within an authority as it offers a chance for promotion/development and the opportunity to review posts. In recent years, the abolition of the default retirement age and the economic climate – particularly the lack of job security – are also believed to have had an impact on staff turnover rates.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
- Resources – Failure to monitor staff turnover may result in a situation whereby there are insufficient human resources of the required calibre/skill level to achieve an efficient delivery of Council services.
 - Technical, Environmental and Legal – No implications identified.
 - Political – No implications identified.
 - Reputation – Maintaining a stable and skilled workforce will protect service levels in terms of quality and efficiency, which will in turn result in a positive reputation for the authority as a whole.
 - Equality and Diversity – In order to ensure equality of opportunity and that we value diversity, turnover is carefully monitored through the exit interview process and this ties in with the recruitment and selection procedures which also help us ensure equality and diversity within the workplace.

5 CONCLUSION

- 5.1 Figures indicate that there is a trend for an increase in staff turnover within Ribble Valley Borough Council. We continually monitor staff turnover to seek and identify any trends which may give cause for concern. This is done through performance indicators. This data is collected and reviewed quarterly and then reviewed again on an annual basis. Any areas of concern would be immediately highlighted to the Corporate Management Team (CMT) and Personnel Committee and remedial action taken to resolve any issues.

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