

## **Divisions Affected – All**

### **CABINET**

**19 September 2023**

#### **Workforce Report and Workforce Data Q4 2022/23**

#### **Report of Performance and Corporate Services Overview & Scrutiny Committee**

### **RECOMMENDATION**

1. The Cabinet is **RECOMMENDED** to —
  - a) Agree to respond to the recommendation contained in the body of this report, and
  - b) Agree that relevant officers will continue to update Scrutiny for 12 months on progress made against actions committed to in response to the recommendation, or until they are completed (if earlier).

### **REQUIREMENT TO RESPOND**

2. In accordance with section 9FE of the Local Government Act 2000, the Performance and Corporate Services Overview & Scrutiny Committee requires that, within two months of the consideration of this report, the Cabinet publish a response to this report and its recommendation.

### **INTRODUCTION AND OVERVIEW**

3. At its meeting on 21 July 2023 the Performance Overview and Scrutiny Committee considered the Workforce Report and Workforce Data Q4 2022/23 report which had been presented to Cabinet on 20 June.
4. The Committee would like to thank Cllr Glynis Phillips, Cabinet portfolio holder for Corporate Services, Lorna Baxter, Director of Finance, and Michael Fletcher, Head of HR Partnering and Advisory for preparing and introducing the report, and for attending to answer questions.

## SUMMARY

5. Taking the report as read, Cllr Phillips introduced the report by highlighting some key points. The Council was looking hard at how to reduce its agency spend; in the last quarter £10.8m had been spent. Progress was made in reducing the agency spend in children's services, with a fall of almost £1m relative to the previous quarter. Concerning its demographic profile, the workforce had relatively few young staff, with only 4.4% of the workforce being under 25 and 22% being under 35. For people in this cohort, social value, work-life balance and a sense of purpose had been found to be more important in evaluating potential workplaces than simply pay and benefits, a core observation underpinning the Council's Workforce Strategy. Whilst sickness rates had fallen over the year and were comparable with other local authorities, they remained above target rates and work was being undertaken to reduce them. Stress, anxiety and depression was the leading cause of sickness absence; the Council's Delivering the Future Together programme was a deliberate effort to invest in the wellbeing of staff, partially to address this issue.
6. In response to the presentation the Committee discussed issues around agency spend, demographic representation within the workforce, absence rates, key contributors to retention, overall staffing numbers and longer-term trends. The Committee wishes to share three observations concerning agency spending, the Council's flexible working offer and the number of disabled staff. It makes one formal recommendation concerning suggestions on how data in the Workforce Data report might be made more relevant, particularly to residents.

## RECOMMENDATION

7. It is worth remarking on at the outset that the Workforce Data report was commended by the Committee as a very useful source of information. It is data-rich and covers the key metrics which the Committee feel the Cabinet should be monitoring and, as part of its drive towards transparency, publishing in the public realm. The Committee's recommendation concerns providing supporting data to allow a better understanding of the context in which these measures appear. This is particularly important in this transparency role; members of the public are fairly likely not to know so much about the workings of local government so raw statistics are liable to be less meaningful if they are not accompanied by additional context to support interpretation and understanding. On this, there are two sources of information which would be particularly helpful: the Council's performance over a longer time frame, and its performance relative to other Councils.
8. Concerning the first of these, the Committee is very much aware that much can happen over the medium-term. Five years ago the UK was a member of the EU. The Covid-19 pandemic had not happened. Locally, the County Council had a different administration with different priorities and, largely, a different senior leadership to implement those priorities. This does mean that

determining performance against historical data can be difficult given that the context in which the Council is operating may have changed immensely. However, notwithstanding this caveat, it is the view of the Committee that including a longer perspective for some metrics can nevertheless be illustrative. This is because for some measures the pace of change in the Council can be too slow to see a trend. At present, comparisons are made over a year, but such a short frame of reference does make it hard to determine what it is a trend versus what is simply statistical noise. A medium-term timeframe of five years can show trends with greater confidence. To reduce the chances of five-year data not comparing like with like the Committee recognises that it is high-level, all-Council statistics which are best suited to this. The Council may reorganise itself in such a way as to impact directorate statistics very sharply, but in the absence of a major intervention such as Covid, general health amongst the population is expected to remain fairly stable and so comparing absence rates over a medium term horizon would yield meaningful information.

9. The metrics the Committee identifies as being suitable for medium-term comparison and telling a lot about the nature of the organisation are as follows:
  - Total number of staff (FTE)
  - Total number of staff (the raw number)
  - Total number of full time staff (raw number and percentage)
  - Total number of part time staff (raw number and percentage)
  - Total number of employed staff (FTE)
  - Total number of interim staff (FTE)
  - Proportion of overall FTEs filled by agency staff
  - Cost of agency spend (inflation adjusted)
  - Annual staff turnover (including interims)
  - Average number of sick days per staff member
  - Ratio of total long-term sickness to short-term sickness
  - Distance staff live from their main office (in 20 mile increments)
  
10. A second way of understanding the Council's performance is to look to others. Looking to how other Councils, who largely face similar pressures, helps to define what can reasonably be expected, and also what good performance looks like. At present, the Council only compares itself to its own previous performance. In the absence of external comparators the Council could, for example, see an area of longstanding underperformance improve and interpret that as a success. If, however, that simply meant that the Council improved from being the lowest decile of councils to the second lowest decile the area of underperformance would still continue to be a major issue for the Council which would need ongoing attention. The context provided by relative performance is particularly important when justifying the Council's performance to its residents. If a Council has a sickness absence rate twice that of its neighbour this would be expected to have a tangible impact on residents in terms of the quality of the Council's work, the quantity work undertaken or the cost of finding extra resources to do the work. These are

very basic measures of performance which a transparent Council should be communicating to its residents. Accordingly, the Committee recommends that the Council develop a group of comparator Councils against which it will provide comparative data.

11. Although there are many data points which would benefit from relative comparisons the Committee is aware that to ensure that like is compared with like it must focus on standardised metrics, and to ease the burden of collection on officers must regularly be reported on by comparator Councils and easily accessed. These caveats limit the length of the list proposed, which is as follows:

- Staff turnover
- Average number of days sick per staff member
- Ratio of days lost to long-term sickness vs short-term sickness
- Gender pay gap
- Percentage of staff reporting a disability

12. One further amendment to the information provided in the report the Committee recommends relates to the turnover rates within directorates. At present it is possible to find the number of departures from a directorate over the course of a quarter. However, owing to the differing sizes of directorates, raw numbers are insufficient to be able to see which areas have high relative levels of turnover and which have a more stable workforce. The Committee requests that the Council provide each directorate's turnover rate as a percentage in addition to the raw numbers. This should highlight more easily those directorates where the Council is struggling to retain staff.

**Recommendation 1: That the Council increases the contextual data provided in its Workforce Data reports, specifically to**

- a) **Provide a five-year trend comparison for the following measures:**
- **Total number of staff (FTE)**
  - **Total number of staff (the raw number)**
  - **Total number of full time staff (raw number and percentage)**
  - **Total number of part time staff (raw number and percentage)**
  - **Total number of employed staff (FTE)**
  - **Total number of interim staff (FTE)**
  - **Proportion of overall FTEs filled by agency staff**
  - **Cost of agency spend (inflation adjusted)**
  - **Annual staff turnover (including interims)**
  - **Average number of sick days per staff member**
  - **Ratio of total long-term sickness to short-term sickness**
  - **Distance staff live from their main office (in 20 mile increments)**
- b) **Identify a group of comparator councils and provide comparative performance data for the following measures:**
- **Annual staff turnover (including interims)**

- **Average number of days sick per staff member**
- **Ratio of days lost to long-term sickness vs short-term sickness**
- **Gender pay gap**
- **Percentage of staff reporting a disability**

c) **Display directorate levels of turnover as percentage figures of the number employed**

## **OBSERVATIONS**

13. The following are comments made by the Committee which it wishes to make to Cabinet but which require no formal response. They highlight what the Committee deems to be the priority issues arising from the Workforce Report and Workforce Data Q4 2022/23

**Observation 1: The reduction in agency spend is, but must continue to be, a core corporate priority for the Council**

14. The Committee recognises that the Council is deeply aware of how pressing the need to reduce spend on agency workers within the Council is, but it is of such core importance that it bears being restated. At a time of acute financial pressure for the Council the cost of interim staff, at almost £11m in the last quarter, is a highly significant pressure. Even with on-costs, the higher wages paid to agency workers and fees to agencies themselves mean that heavy use of agency staff carries a financial premium to having employed staff in the same positions. However, the Committee's concern is not principally financial – without the ties of a permanent employment relationship rates of staff turnover are inevitably higher than they would be if agency staff were to be employees. High turnover rates are a cause of impaired service levels, with corporate memory lost, much time spent recruiting and inducting new staff, and less time for staff to become familiar with the Council's services or the county they serve. The Committee recognises that there is a tight labour market at present and particularly amongst some staff needed to deliver statutory requirements, that Oxfordshire is an expensive place to live, and that there will always be a need to bring in additional capacity and skills on a flexible basis. However, a high reliance on agency staff could be characterised as paying more to get less, and the Committee is gladdened that the wish to recruit, retain and develop permanent staff does underpin the Council's approach to its workforce.

**Observation 2: Although younger workers do have different priorities when assessing organisations to work for, actions to address the low proportion of younger workers within the Council should remember the importance of flexibility in retaining those staff.**

15. The Committee accepts the point made by Cllr Phillips in her presentation about the changing priorities of the younger generation, and the need to focus not only on pay but broader social value and mission in order to attract younger members of staff. The Committee's comment is in reaction to this

being deemed a core observation underpinning the Workforce Strategy. Whilst recruitment of staff below the age of 25 is certainly low, at 4.4%, the number below 35 remains low also. The Committee would like to emphasise the importance to this age group in attracting and subsequently keeping workers in this age bracket of providing job flexibility given the demands of early parenthood. The Committee was pleased at the breadth of measures currently available to staff, but it hopes that any forthcoming focus on making the Council a meaningful place work will not diminish or impede future development of new ways of providing flexible working to staff. Were this to happen the Council would face the prospect of attracting staff when they are younger and being unable to retain them as their responsibilities outside work increased.

**Observation 3: Disabled people are particularly under-represented in the Council's workforce, and addressing this should be accorded commensurate priority**

16. In discussion of the demographic representativeness of the Council's workforce the high proportion of women was questioned but the Committee was assured that within organisations holding significant responsibility for health and social care the two to one ratio was not uncommon. On the other hand, having 6.14% of staff declaring a disability was confirmed as low. According to the Department for Work and Pension, in 2021 one in five people of working age were thought to have a disability.<sup>1</sup> The Committee recognises that disabled people face greater barriers to enter the workforce, with workforce participation being approximately two thirds of that of non-disabled people, and to remain in the workforce. Disabled workers leave the workforce at almost twice the rate of those who are non-disabled. The Council's second strategic priority is to tackle inequalities in Oxfordshire, and given the value and experience disabled workers can bring to the Council the Committee's view is that the Council's level of underrepresentation within its staff is an issue which urgently needs addressing. Indeed, the Council should make this a particular priority when seeking to develop a workforce which represents the community it seeks to serve.

## **FURTHER CONSIDERATION**

17. To allow the changes of the Council's Workforce Strategy to start showing impact the Committee is unlikely to look at this report again before that document's 12-month review.

## **LEGAL IMPLICATIONS**

18. Under Part 6.2 (13) (a) of the Constitution Scrutiny has the following power: 'Once a Scrutiny Committee has completed its deliberations on any matter a formal report may be prepared on behalf of the Committee and when agreed

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<sup>1</sup> [The employment of disabled people 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2021)

by them the Proper Officer will normally refer it to the Cabinet for consideration.

19. Under Part 4.2 of the Constitution, the Cabinet Procedure Rules, s 2 (3) iv) the Cabinet will consider any reports from Scrutiny Committees.

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Annex: Pro-forma Response Template

Background papers: None

Other Documents: None

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