

MANAGEMENT INFORMATION – RESIGNATIONS & RETENTION ISSUES**Purpose**

- 1) This paper is being written to enable the board to discuss recent perception issues over staff leaving FC England, to better understand the issues of retention and how this is managed moving forward.

Recommendations

- 2) The board is asked to:
 - assist in managing perceptions out in the business with attrition rates and staff turnover;
 - understand the audit findings over staff who have taken exit packages from the FC and subsequently returned to work for us;
 - understand the audit findings over staff who have left the FC and then returned, only to be re-instated on a higher salary.

Background

- 3) At the Senior Managers Meeting in Birmingham on 24 June 2015 concerns were raised about staff leaving the FC, the issue of pay and lack of pay progression. The perception is that FC England is losing a lot of staff because of better job opportunities and more money being available elsewhere. Director England was keen to understand the reality of the situation and requested an analysis was undertaken by the HR Business Partnering team to try and establish the true picture.

Work undertaken

- 4) The HR Shared Services commenced the analysis by drawing down data from the FC's Rebus system in terms of staff that had left FC England over the past two years, July 2013 - June 2014 and July 2014 - June 2015. The data included staff on permanent and fixed term contracts but did not include temporary, seasonal or agency workers. Whilst this data provided us with the number of staff who had left, their names and the date they left the FC, no data is captured over the actual reasons for leaving.
- 5) The HR Operations Managers therefore took this data and worked with the knowledge they had acquired about individuals, exit interview data and local managers to try and understand the main reason a member of staff left during that two-year period.

Average staff turnover statistics in the public sector according to XpertHR's 2014 survey was 11.4%. The average staff turnover in FC England in 2014 was 6.4%.

Findings

- 6) The analysis of the data can be found in appendix 1 and has been broken down to show the main reasons for staff leaving the FC. Initial inferences drawn from the data indicate:
- i) The perception of an increase in the number of staff leaving the FC is likely to have arisen from a combination of standard resignations and retirees;
 - ii) There are a number of staff who have taken voluntary exit, voluntary redundancy or compulsory redundancy included in the figures at the tail end of SR10;
 - iii) The level of turnover in the FC is still lower than most organisations when compared to average turnover in the public sector.

Impact of Pay Freeze, Pay Progression and Capped Public Sector Pay

- 7) Public sector pay continues to be capped at 1% of the organisation's pay bill and within the FC, we are no longer able to reward staff with any pay progression. Whilst we are now out of the two year pay freeze, the board will all be only too aware of the current situation and that this continues to be exceptionally challenging. We have shortened pay scales, increased the pay differential between different pay bands and closed the gap from those at the bottom of the pay band to those at the top, but will take several years to address some of the anomalies created by the freeze and lack of pay progression.
- 8) We have used Recruitment and Retention allowances (RRAs) where appropriate to try and retain certain staff with key skills, where there has been a business justification to do so. However we cannot allow these to be used to simply 'bridge a pay gap' for someone between their current salary and the top of their pay band and they should only be used in exceptional circumstances. Whilst there may be a desire to do this, we cannot set such a precedent given the implications such a move has in terms of fairness and equality, affordability. With SR15 implications, all expenditure has to be carefully scrutinised.
- 9) We have had a few staff leave the FC only to discover that the grass 'isn't greener' on the other side and request to come back. There is no issue with reinstating staff back into the FC providing they meet the criteria; however they should only be reinstated at the salary level they left on, not 'rewarded' for returning with a higher level of pay. The attractions of doing this are understandable, but we must be very mindful of setting such a precedent and understand the impact that such actions have on other staff who perceive such moves as totally unfair and unjustified.
- 10) SR15 may well see us needing to shed staff. A recent audit has brought to our attention that a number of staff who left the FC post SR10, whether via VE, VR or CR have found their way back into the FC's employment having left. The perception of this practice, whether the reason for that return is valid or not, is

something we need to be aware of. It is essential that we have robust procedures to deal with such issues and protect our reputation as well as the public purse. Plans to therefore issue guidance to managers and tighten up current HR procedures will be undertaken shortly as a result of this recent audit.

Corporate Plan

- 11) Our people are critical to the delivery of our corporate plan. The board needs to ensure that good practice is applied in terms of pay and FC procedures are adhered to, for the benefit of all staff.

Risk Assessment

- 12) The following impacts have been identified:
- The lack of pay progression and the cap on pay increases means that a percentage of staff will leave for better paid jobs elsewhere;
 - Discontentment when staff work alongside others doing the same work but getting paid different rates will continue to grow;
 - All staff, regardless of where they sit on the pay bands, are impacted by the inability of the FC to give staff a perceived 'reasonable' pay rise;
 - Addressing one area through use of RRA payments can give rise to further perceived inequalities being applied in our pay system, which simply exacerbates the situation.

Equality Impact Assessment

- 13) N/A

Communications

- 14) The key management messages of this paper should be cascaded down from the board to cost centre managers.

Conclusions

- 15) The Board is asked to note the current situation in respect of leavers and pay issues.

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16 October 2015