

Board Paper

Annual Report of HR Information: High Level Analysis 2016/17

*Paper by the Head of HR Shared Services and Director of People
For the meeting on: 28th July 2017*

1. Purpose

- 1.1 This paper provides a high level analysis of key HR efficiency and effectiveness statistics for the financial year 2016/17.

2. Action for the Board

- 2.1 The Board are invited to take note of the composition of the workforce and recent HR trends. If any members of the Board would like to investigate any of these areas in more detail, please discuss this with your HR Business Partner in the first instance.

3. Consultation

- 3.1 This paper will be reviewed following any feedback from the Board and published on the intranet. It will be published on the external website in due course as part of the House's proactive publication scheme.

4. Equality Analysis

- 4.1 This report provides a high level analyses of the diversity of the workforce. The Diversity & Inclusion team will be providing a more detailed analysis of these figures as part of their regular diversity monitoring reports.

5. Background

- 5.1 This report provides a year on year comparison of the workforce and some longer term trends. It relates to staff at the House of Commons excluding the Parliamentary Digital Service (PDS), unless stated otherwise.
- 5.2 This report takes into account the changes occurred as a result of the Director General's Review (DGR).
- 5.3 Over the next year, the HR team will be working to develop its reporting regime, both internally within Corporate Services and as part of the People Dashboard within the new Performance Management Framework.

6. Overall summary

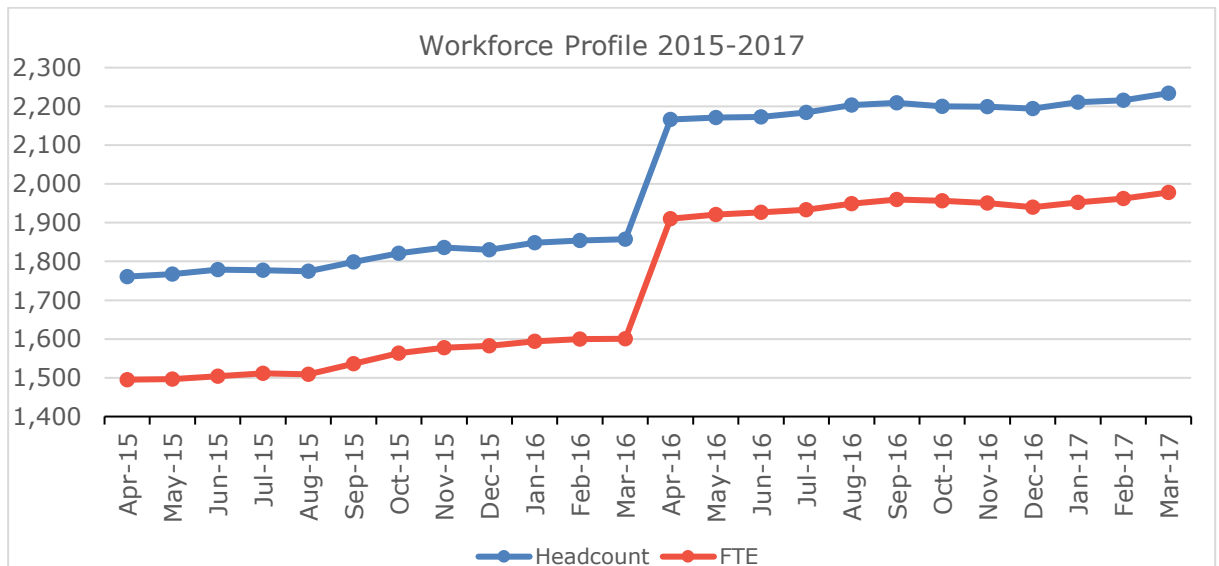
- 6.1 There has been an increase in headcount and FTE over the year, predominantly made up of an increase in the Parliamentary Security Department (PSD). The employees were TUPE transferred from the Metropolitan Police Service to the House of Commons. This

change to the workforce has also had notable other impacts, for example, on sickness absence levels and the number of active employee relations cases.

- 6.2 The increase in headcount and FTE is not limited to PSD and, once again, there has been another marked increase in recruitment activity over the year. Employee relations cases have also increased in other teams suggesting increased competence in this area, although the HR Advisory Service are still supporting a high number of cases at the informal stages. Nevertheless, this reflects the increased emphasis on good line management following the DGR. There has been a reduction of long term sickness, an area of sickness absence highlighted for increased attention in last year's report.
- 6.3 The statistics published in this report and the continuing high level of engagement in the staff survey indicates that the House of Commons is an attractive employer – recruitment is up, turnover is down and performance issues are increasingly being managed. Ongoing monitoring is needed, however, in particular given increases in resignations/retirements and mental health referrals, which could suggest that uncertainty around organisational changes is having an impact on some staff.

7. Size of the workforce

An increase in headcount and FTE over the year is predominantly made up of an increase in the Parliamentary Security Department, i.e. those employees that were TUPE transferred from the Metropolitan Police. [N.B. These figures do not include the Digital Service]



Changes in FTE by department

- 7.1 Due to the changes occurred as a result of the Director General's Review, it is more difficult to compare changes in the size of teams between March 2016 and March 2017. Nevertheless, an increase in a number of areas can still be seen, and the most significant reduction (in CCT) is primarily a function of the move of the Serjeant at Arms team to In House Services.
- 7.2 The most significant change in the size of the workforce comes from the creation of the Parliamentary Security Department from 1 April 2017. However, there have also been notable increases in other office, including in the Governance Office largely as a result of the creation of the DG Programme teams. It should also be noted that the Restoration & Renewal Programme team includes a number of interims not included in these figures.

FTE by Department	31 March 2014	31 March 2015	31 March 2016	31 March 2017
Chamber and Committees	486.5	485.5	511.4	441.0
Facilities	489.0	494.6	528.9	
In-House Services				519.8
Strategic Estates				98.99
Finance	46.3	48.9	48.1	
Human Resources and Change	87.5	79.0	86.0	
Corporate Services				138.0
Information Service	360.7	376.3	367.6	
Research and Information				181.9
Participation				167.4
Governance Office	20.5	24.6	28.6	38.2
Communications				15.0
Parliamentary Security Department	4.0	6.0	23.8	369.1
Speaker's Office	6.3	7.3	6.3	8.3
	1500.8	1522.2	1600.7	1978.0
Parliamentary Digital Service	252.7	253.8	284.6	362.2

- 7.3 The proportion of staff recorded on HAIS as having flexible working patterns – i.e. part-time and compressed hours – has increased from 15.9% to 22.3%. The reason is a significant increase on part-time workers, 257 employees in 2016 compared with 468 employees in 2017. When staff on guaranteed minimum hours contracts are included the proportion of those working flexibly rises to 27.7%. Flexible working remains one manifestation of the commitment to achieving a more diverse workforce.
- 7.4 The Participation team had the highest proportion of people working flexibly – 70% of its workforce – a result of the high number of part time posts needed to deliver sufficient flexibility in the Visitor Services team and the small size of the overall Team. The only department with less than 20% of staff working flexibly is the Governance Office, although this is a relatively small department where a few individuals changing work pattern can have a large impact on the proportions.

8. Changes in workforce distribution

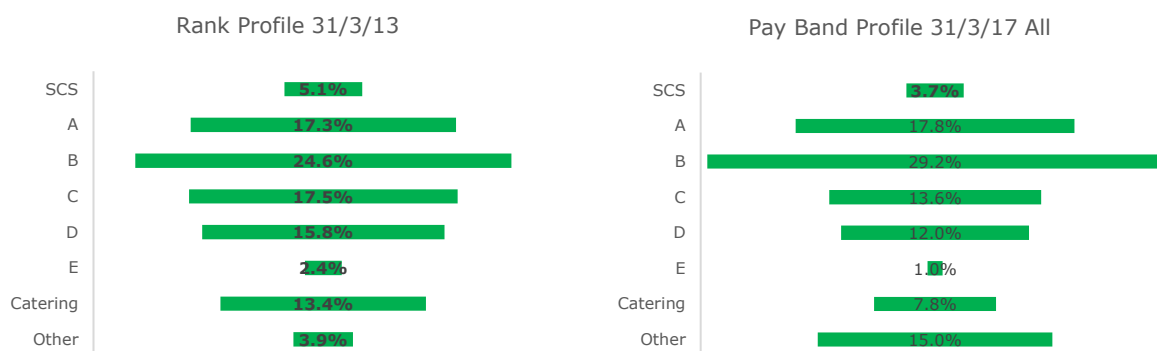
The increase on pay bands A&B suggests a greater requirement for professional and managerial skills. The increase in 'Other' pay bands reflects TUPE transferred employees who have retained their pre-TUPE pay bands

Changes in pay band distribution (FTE)

- 8.1 The increase in Security FTE is in line with the increases in the Security team highlighted earlier in this report. Other notable increases in FTE occurred at pay bands A and B, in particular the pay band B with an increase of 62.1%. These increases suggest that the total increase in FTE was predominantly filled by pay band A and B roles. Increases in the “feeder grades” to SCS may assist in the longer-term in supporting the House’s commitment to greater diversity in senior posts. However, this is an area that the Board may wish to continue to monitor, to ensure that increases in such posts contribute to service improvements rather than reflecting grade drift.

Pay Band	March 2015	March 2016	March 2017	Change FTE 2016/17	% of total
SCS	67.9	69.7	85.5	15.8	3.7%
A	279.7	310.0	417.6	107.6	17.8%
B	385.3	421.1	682.5	261.4	29.2%
C	261.8	269.5	317.3	47.8	13.6%
D	241.8	237.8	281.0	43.1	12.0%
E	24.2	24.1	22.4	-1.6	1.0%
Catering	172.5	186.3	182.3	-4.0	7.8%
Other	89.2	82.2	351.4	269.2	15.0%
	1522.3	1600.7	2340.1	739.4	100.0%

- 8.2 For clarification, the security team have been included in the pay band ‘Other’; that equates to 274.78 FTE. Security Officers recruited during the year (approximately 38) have been recruited onto House terms and conditions, predominantly at pay band D.
- 8.3 As was the case last year, this annual report provides an opportunity to see how the pay band distribution has developed over the past five years, which is demonstrated in the charts below.



8.4 As was seen last year, over the past five years, there has been a noticeable increase in the proportion of staff falling into the “Other” pay bands, which in part reflects the security team TUPE transfer to the House of Commons. There has also been a small reduction in catering and band E staff within the House. The recent establishment of a “complement” where each team has identified its posts including vacancies and will be required to monitor the creation of any new posts will provide an additional control mechanism for pay band distribution in future.

8.5 The number of SCS employees has increase by 15.8 FTE but reduced in percentage from 5.1% to 3.7% due to the overall headcount increase by 739.4 FTE. There has been an increase of 107.6 FTE employees on grade A and 261.4 FTE employees on grade B. Pay bands SCS, A and B now represent 51% of the FTE workforce, compared to 46.9% in March 2013.

8.6 The proportion of permanent employees has had a small increase from 84.6% end March 2016 to 88.4% end March 2017, compared to employees on fixed term contracts. This reflects the commitment in the Vision for People to ‘a largely permanent workforce’ although the use of interims in Strategic Estates has increased as part of a ‘mixed model’ where the balance should be kept under review.

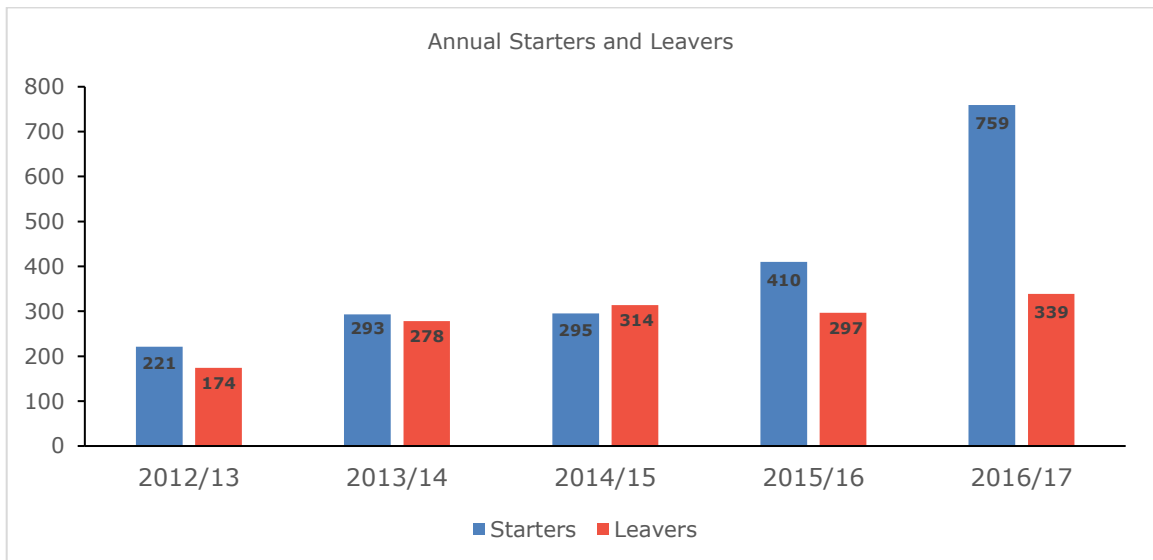
9. Starters, leavers and internal transfers

Continuing the trend in the last three years, turnover has reduced. In line with increased headcount there has been an increase in the number of new starters. This inevitably includes a higher number of people new to the House, alongside internal opportunities

9.1 The numbers of starters, leavers, transfers and turnover are reported monthly to business areas. Overall, turnover, including PDS, has been reducing over the past three years. Turnover reduces to 13.3% if leavers under voluntary exit are excluded, compared to approximately 14% excluding voluntary exits in March 2015. If the expiry of fixed term-contracts/secondments are also excluded, on the basis that these are planned exits, the rate reduces further to 8.2% (9.8% in March 2016). There were, however, a higher number of voluntary exits (39) compared to 2015/16 (21), reflecting the schemes run in some areas following the DGR.

9.2 Not surprisingly given the increase in headcount, the number of new starters at the House has also increased significantly compared to recent years, as demonstrated in the chart

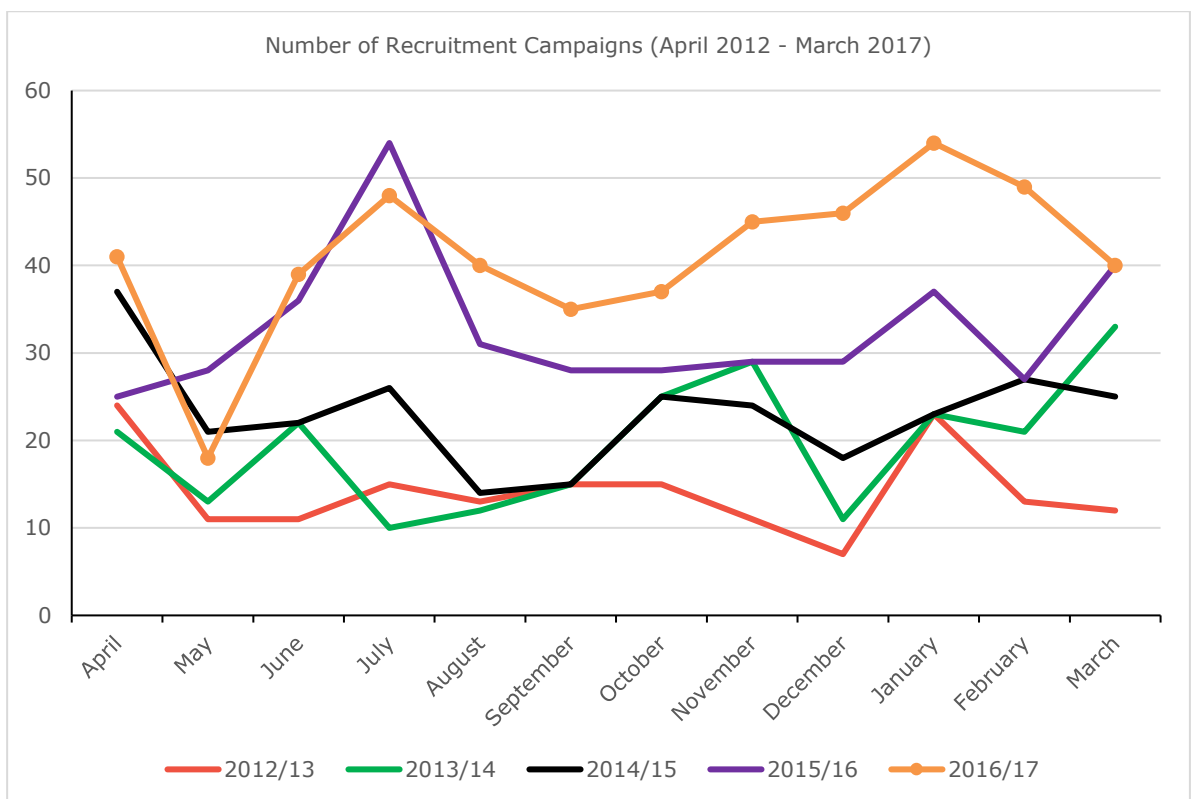
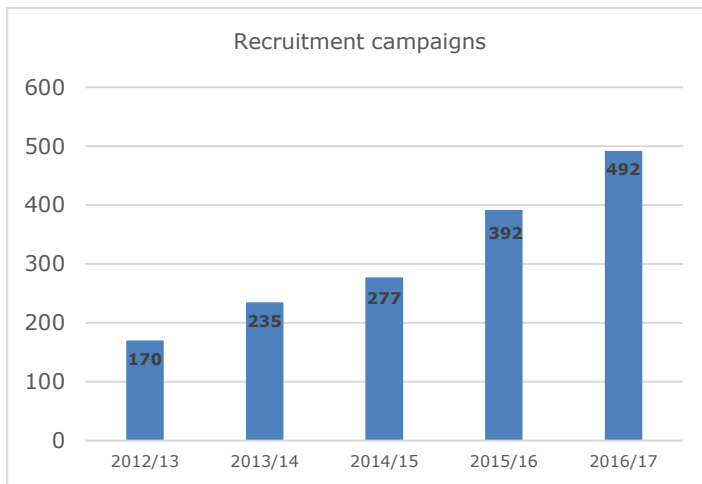
below. This covers all starters, including those joining the Parliamentary Security Department.



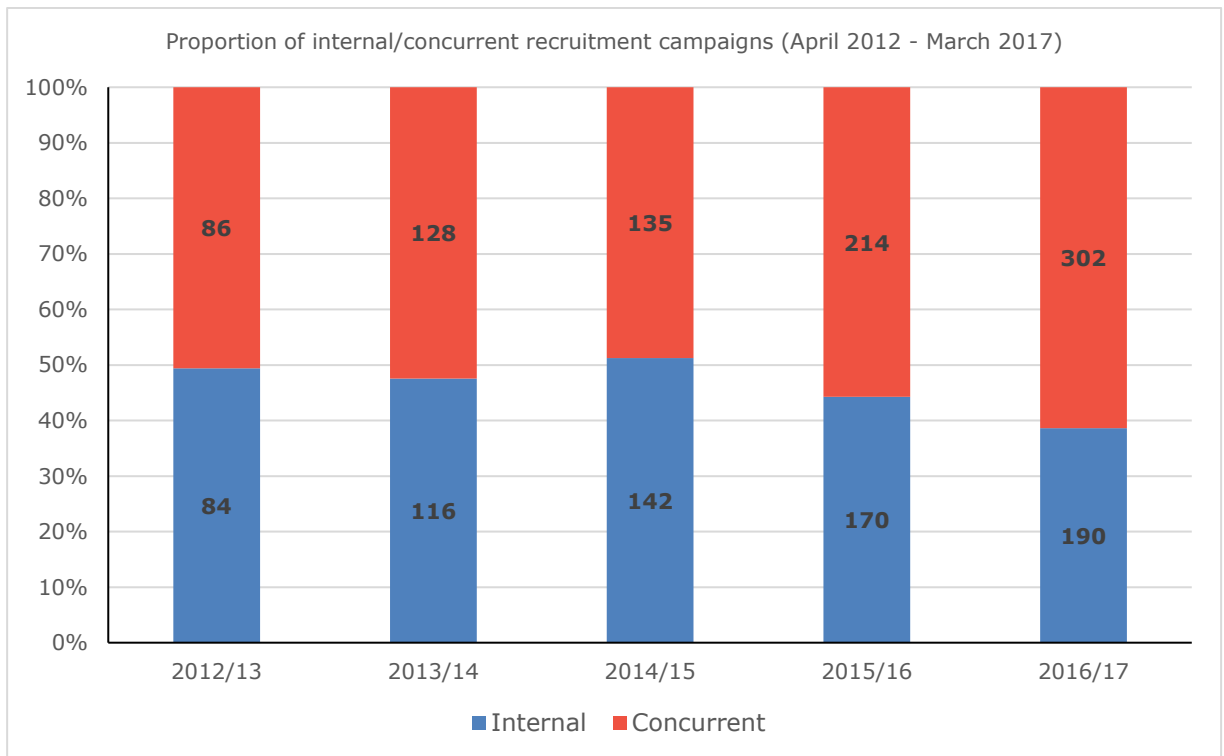
- 9.3 An on-line exit survey took place in 2016/7 and a total of 49 individuals completed from 339 leavers (14%). This is an improvement from previous year albeit we are working to improve the response further. The largest group of respondents were on pay band B (32.7%), followed by D (28.6%), C (20.4%) and A (16.3%). Only 1 respondent was from the Catering grades.
- 9.4 The single most cited reason for leaving was retirement with nearly a quarter of respondents listing this (24.5%). This may reflect the Voluntary Exit Scheme which occurred at the end of the financial year, where there was a particularly high response rate thanks to the efforts of the team managing the scheme. Work/ life balance was the next most popular reason given for leaving (16.3% of respondents). This may be an area for further investigation given the aspiration to provide a good work/ life balance made in the Vision for People; more information and potential support for resolving this tension may come over the next year from the Ways of Working programme.

Recruitment Campaigns

- 9.5 The reports for the past three years have commented on an increase in recruitment. This year there has been a further increase of 25.5% compared to 2015/16, which represents an additional 100 recruitment campaigns over the course of the year. The volume of recruitment campaigns has had a steady increase in the last five years. This includes both internal-only campaigns and those which appoint an external candidate.



9.6 This year saw an increase in the proportion of roles being advertised concurrently. The higher proportion of concurrent campaigns this year is to be expected given the increased volume of recruitment undertaken alongside the increase in headcount seen over the year and the introduction of an increasing number of specialist roles, for example, within the R&R programme and Security roles. However, the number of internal-only campaigns has also continued to increase, giving existing employees a higher number of opportunities than ever before. The number of internal-only campaigns that fail to recruit that are subsequently filled through concurrent campaigns remains small.



Transfers

9.7 It is not possible to report meaningfully on number of transfers between departments because of the Director General Review this year, as it is not possible to distinguish between those who moved voluntarily into new roles and those whose roles changed or moved as part of the wider restructure.

10. Sickness Absence and Occupational Health Referrals

The overall position with regard to sickness absence remains relatively stable and continues to need to be carefully managed. There has been a small increase in the average working days lost to sickness this year.

Short and long-term sickness levels (all staff)

Includes PDS	March 2013	March 2014	March 2015	March 2016	March 2017
Average working days lost per person	6.7	5.4	5.7	5.2	6.1
% of long term sickness (28+ calendar days)	55.3%	52.9%	49.5%	49.9%	48.80%

10.1 The number of working days lost to sickness absence has had an increase by over 1 day. There is a higher level of absence in the Parliamentary Security Department and In House Services. To some extent higher absence levels can be expected from areas with a higher proportion of manual roles, where individuals are more likely to be unable to work as a result of sickness and are less able to work from home. The fact that the increase in the size of the workforce has involved an increase in the number of manual roles means that

the increase in average sickness absence is not unexpected. This increase is accompanied by an increase in the attendance cases being managed, particularly in these areas, and ongoing monitoring will be needed. Absence reports can now be run regularly from H AIS and will be part of the People Dashboard being developed as part of the performance management framework.

Sickness Absence Reasons

- 10.2 Minor illnesses, i.e. cold/flu and stomach disorders, continue to be by far the most commonly cited reasons for sickness absence, accounting for 47% of all absences recorded in 2016/17 (50% in 2015/16). However, these absences are generally short-lived and accounted for only 20% of working days lost due to sickness absence. In contrast, only 5% of absences were recorded as being due to “depression” but account for over 14% of working days lost.
- 10.3 Mental health continues to be the predominant reason for referral to the Parliamentary Health and Wellbeing Service, partly as an absence of any length connected to work-related stress is an automatic reason for a management referral. However, this increase also reflects better recording resulting from PHWS using the COHORT IT system. A higher number of referrals to the Welfare Practitioners have also come via Occupational Health Advisers.
- 10.4 As commented upon last year, the fact that more individuals are willing to seek help for mental health issues can be seen as a positive but is something that will continue to be monitored. PHWS have held a number of pro-active wellbeing events during the year, and the service is being reviewed to identify any other areas for improved support to Members, Members’ staff and employees, including around mental health issues.

Occupational Health Referrals

- 10.5 During the reporting year, House of Commons employees attended 1266 appointments with PHWS. PHWS’ advice is most frequently sought for staff with an existing health condition, seeking some form of intervention or review of their work. This ensures that they can continue to be effective in the workplace. The table below shows the main reason for health referrals. In line with the comments above, that there has been a significant increase in referrals for mental health issues.

Referral Type	Number of Appointments
Existing Health Condition	160
Musculoskeletal	66
Mental Health	511
Rehab and phased returns	138

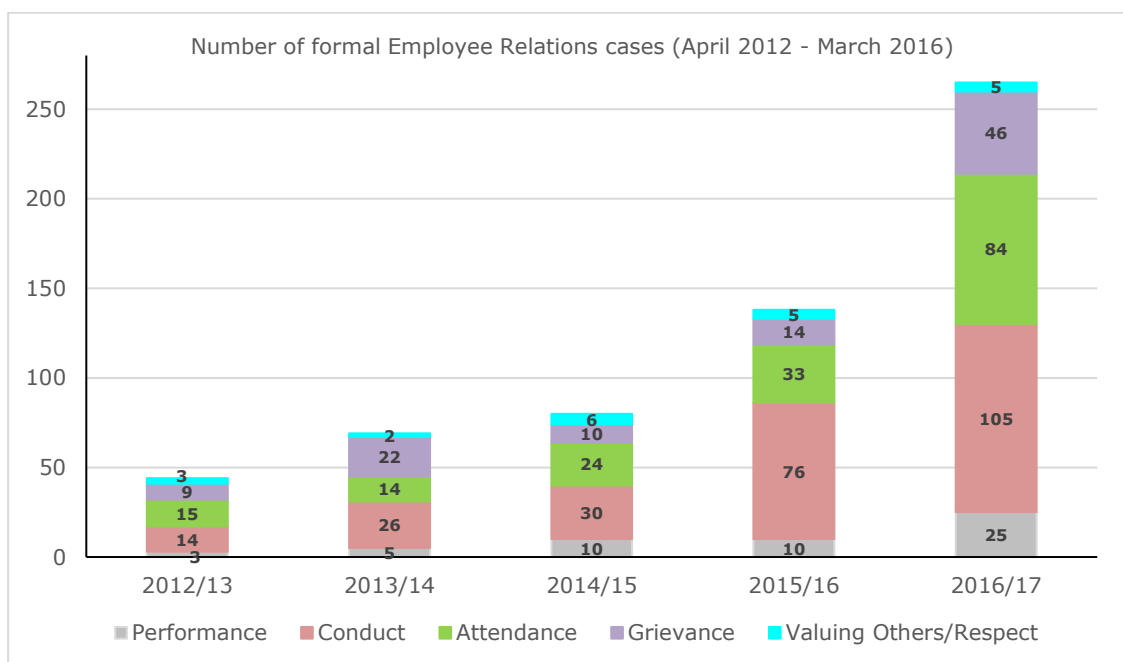
- 10.6 As part of the case management process, PHWS organise case conferences where advice and guidance is given to HR and/or managers on specific issues as appropriate. This year, 36 case conferences were arranged in total with the Commons, Lords and PDS. The vast majority of appointments/referrals do not result in a case conference, but the figures above demonstrate that continued effort is required in managing long-term sickness cases. 90 PHWS appointments were booked but not attended over the year (10%).

10.7 The service provided by PHWS is currently being reviewed, including the customer satisfaction information that it gathers, which will be reported as part of the Corporate Services customer satisfaction measures.

11. Management and Leadership

Following the trend from last year, the number of employee relations cases being managed using the formal stages of HR policies has increased significantly, suggesting that managers are continuing to become more comfortable managing cases.

11.1 There has been a significant increase on the number of employee relations cases managed by the HR Advisory Service (HRAS), 265 additional cases. Part of this increase reflects better and more consistent reporting at the informal stages but also more proactive work by HRAS to follow up informal cases and convert them into formal cases where appropriate.



11.2 Continuing the trend seen over recent years, a much higher number of employee relations cases were managed formally this year. There was a significant increase in the number of formal conduct cases which were up by over 150% and 155% increase on attendance cases. Again this reflects more accurate record keeping by HRAS with the introduction of their Sharepoint Case Management system, but also demonstrates a willingness by managers to seek advice at an earlier stage and recognition that there is support available to them. Nevertheless, building management capability remains an ongoing priority for the House being addressed through the People Programme.

11.3 The number of grievances during 2016/17 increased by 229%, 14 cases in 2015/16 compared to 46 cases in 2016/17. This includes 22 grievances raised by Security Officers following a common contractual error.

11.4 There has been no increase on the number of Valuing Others and Respect cases between 2015/16 and 2016/17. They remain stable following the increase in cases prompted by the House-wide Respect policy training in 2014. Further Respect policy sessions are currently being planned, and the impact of this increased awareness of respect issues on the number of formal Valuing Others and Respect cases will be kept under review.

12. Learning and Development

12.1 This is the first year we are providing statistical data from L&D. The purpose is to highlight the L&D activities for the period and monitor its progress year on year. Data is taken from the ACT Learning Management System, and there will be further development of ACT's reporting capabilities over the next year. This will include learning evaluation feedback, including customer satisfaction levels.

Category	No of Courses	Individual Completions
Diversity & Inclusion	9	824
Health & Safety	16	1218
Leadership & Management	14	476
Parliamentary Knowledge & Skills	12	1070
Professional & Personal Development	17	437
Programme & Project Management	8	268
Role Specific	29	726
Technical & Digital Skills	7	425
	112	5444

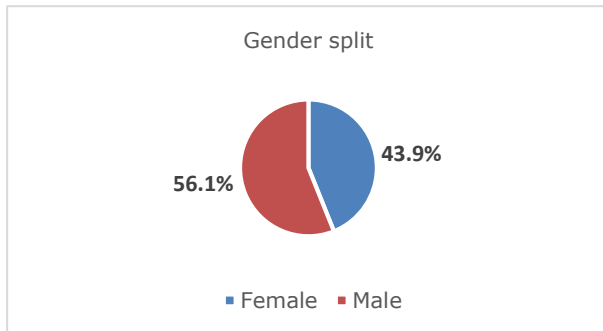
12.2 The Learning & Development team also provide a range of training events for Members' staff based in Westminster and in regional centres around the UK serving staff based in constituency offices.

REGIONS	TOTAL SESSIONS	TOTAL ATTENDEES
London	36	347
South West (Bristol)	1	8
Yorkshire and Humber (Leeds/Sheffield)	3	34
North West (Manchester/Liverpool)	14	124
North East (Newcastle)	8	75
Wales (Cardiff)	4	41
West Midlands (Birmingham)	3	40
Scotland (Glasgow, Edinburgh, Perth & Stirling)	12	143
Northern Ireland (Belfast)	5	45
Total	86	857

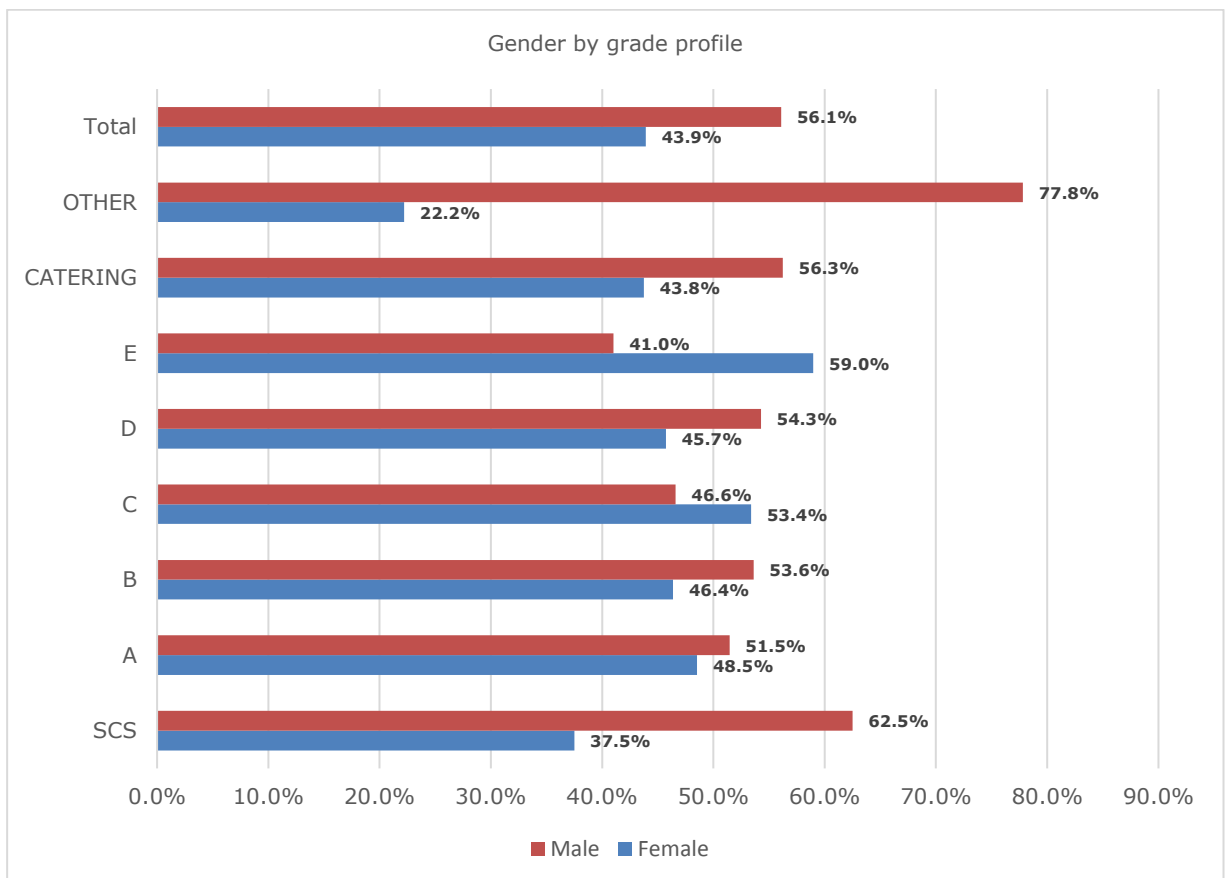
13. Diversity & Inclusion

13.1 We are providing a high level overview of a couple of key protected characteristics from our diversity monitoring information, specifically gender and BAME staff composition. As previously mentioned a further in-depth report will be provided by the Diversity & Inclusion team. It is worth noting, however, that there have been improvements in declaration rates including through the addition of self-service diversity data as part of the upgrade of HAIS in August 2016. Further work to encourage individuals to share their diversity data is also planned over the next year.

Gender composition



Gender composition by pay band



The report indicates that there is a slight higher proportion of male employees overall across most bands. The majority of Security Officers who transferred from MPS are male, while pay band E includes the cleaning team.

BAME composition

For clarification, NON-BAME classification is any white background only; all other categories are classified as BAME.

There is a significant high proportion of non-BAME employees – 66.6% overall (or 78% of those whose race/ethnicity has been declared). Again the only pay band where there is a higher proportion of BAME staff is pay band E.

- 13.2 We would like to acknowledge the contribution of a number of individuals who contributed to the information and analysis contained in this report. These include the HR Systems Analyst, Workforce Information Officer, the Head of the HR Advisory Service, the Senior L&D Coordinator and the Head of the Parliamentary Health and Wellbeing Service.

Alix Langley and Frederico Maia
Corporate Services
20 July 2017