



Board Paper

Annual Report of HR Information: High Level Analysis 2015/16

*Paper from Jenny Winters, Head of HR Operations and Alix Langley, Director of People
For the meeting on: 22 July 2016*

1. Purpose

1.1 This paper provides a high level analysis of key HR statistics for the financial year 2015/16.

2. Action for the Board

2.1 The Board are invited to take note of the composition of the workforce and recent HR trends to support future decision making processes. If any members of the Board would like to investigate any of these areas in more detail, please discuss this with your HR & Change 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 does not specifically consider equality and diversity data which are reviewed and reported on separately in the Diversity Monitoring Report.

5. Background

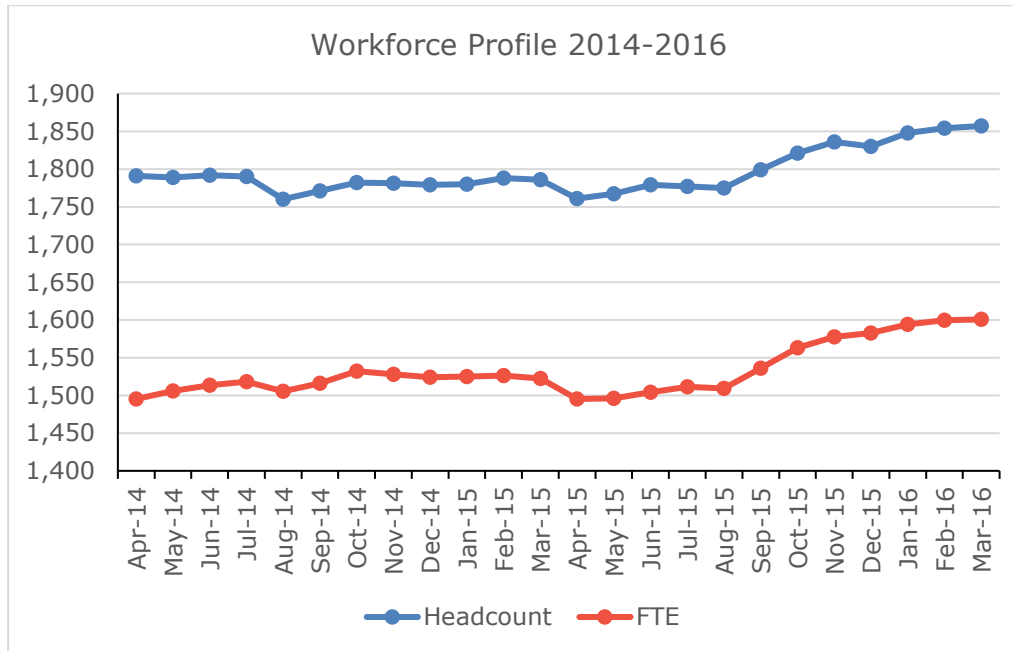
- 5.1 This is the sixth annual report providing a year on year comparison of the workforce and some longer term trends. It relates to staff at the House of Commons excluding the Parliamentary Digital Service (PDS), unless stated otherwise.
- 5.2 This report uses the office names that were in place during 2015/16, i.e. it does not take into account any office changes or changes of name that have occurred as a result of the Director General's Review (DGR).

6. Overall summary

- 6.1 There has been an increase in headcount and FTE over the year, predominantly reflecting increases in Facilities, particularly Catering, an increase in Chamber and Committee Services (DCCS) staff following the 2015 election, as well as the need to prepare for the TUPE transfer of Security Officers from the Metropolitan Police. Turnover has reduced over the past year.
- 6.2 There has been a marked increase in recruitment activity over the year, reflective of the increasing headcount and reducing turnover. There are continuing signs that managers are dealing with people management issues more robustly, supported by the HR Advisory Service, including at the informal stages.
- 6.3 The statistics seen in this report paint a relatively positive picture of working in the House of Commons and its attractiveness as an employer – recruitment is up, turnover is down, sickness absence is down and performance issues are increasingly being managed. Nevertheless ongoing monitoring is needed, 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 DCCS following the election, Facilities and Security.



Changes in FTE by department

- 7.1 There has been an increase in headcount and full time equivalent (FTE) staff over the year. FTE increased by 78.5 between 31 March 2015 and 31 March 2016 to 1600.7. This is the highest FTE figure since we started producing the annual HR report, despite the Savings Programme having taken place over this period.
- 7.2 The annual increase includes a rise of 25.9 FTE in Chamber and Committee Services, 34.3 in Facilities and 17.8 in Security. The increase in Chamber and Committee Services reflects recruitment for the Committees formed following the 2015 election. For Facilities, almost half of the increase (15.8) is accounted for by an increase in Catering. This may reflect some of the increased emphasis on revenue generation and will also be partly offset by a reduction in the use of Agency staff. The increase in Security reflects the need for project staff and a management team ahead of the TUPE transfer of 311 Security Officers from the Metropolitan Police on 1 April 2016 (this increased headcount/FTE will be accounted for in 2016/17). The reduction in FTE in Information Services is predominantly accounted for by the movement of the Web and Intranet Service to the Parliamentary Digital Service.

	31 March 2014	31 March 2015	31 March 2016	Change in FTE 2015–2016
Chamber and Committee Services	486.5	485.5	511.4	25.9
Facilities	489.0	494.6	528.9	34.3
Finance	46.3	48.9	48.1	-0.8
Human Resources & Change	87.5	79.0	86.0	7.0
Information Services	360.7	376.3	367.6	-8.7
Governance Office	20.5	24.6	28.6	4.0
Parliamentary Security Director	[REDACTED]	6.0	23.8	17.8
Speaker's Office	6.3	7.3	6.3	-1.0

- 7.3 The proportion of staff recorded on HAIS as having flexible working patterns – i.e. part-time and compressed hours – reduced slightly to 15.9% from 17.4%, due to a smaller number of individuals being recorded as working compressed hours. This may be linked to the increase in working hours to 35 for all full time employees in May 2015. When staff on guaranteed minimum hours contracts are

included the proportion of those working flexibly rises to 20.8%. Flexible working remains one manifestation of the commitment to achieving a more diverse workforce.

- 7.4 DHRC had the highest proportion of people working flexibly, with over a quarter of its staff working part-time or compressed hours. The only departments with less than 15% of staff working flexibly were Governance Office and Security, although these are relatively small departments where a few individuals changing work pattern can have a large impact on proportions. Although not included in the table above, of the larger departments, PDS had the lowest proportion of staff working flexibly with only 9.5% of staff working a flexible work pattern. This will in part reflect the nature of some IT work, for example the requirement for a 24 hour support team, as well as the fact that PDS is male dominated (64%) and in general flexible working, especially part-time, remains more prevalent amongst women.

8. Changes in workforce distribution

The greatest increases have been in pay bands A and B, suggesting a greater requirement for professional and managerial skills. Given the increase in total FTE there have been limited reductions in other pay bands but where these have occurred they have been at the more junior pay bands and a reduction in the flexible workforce.

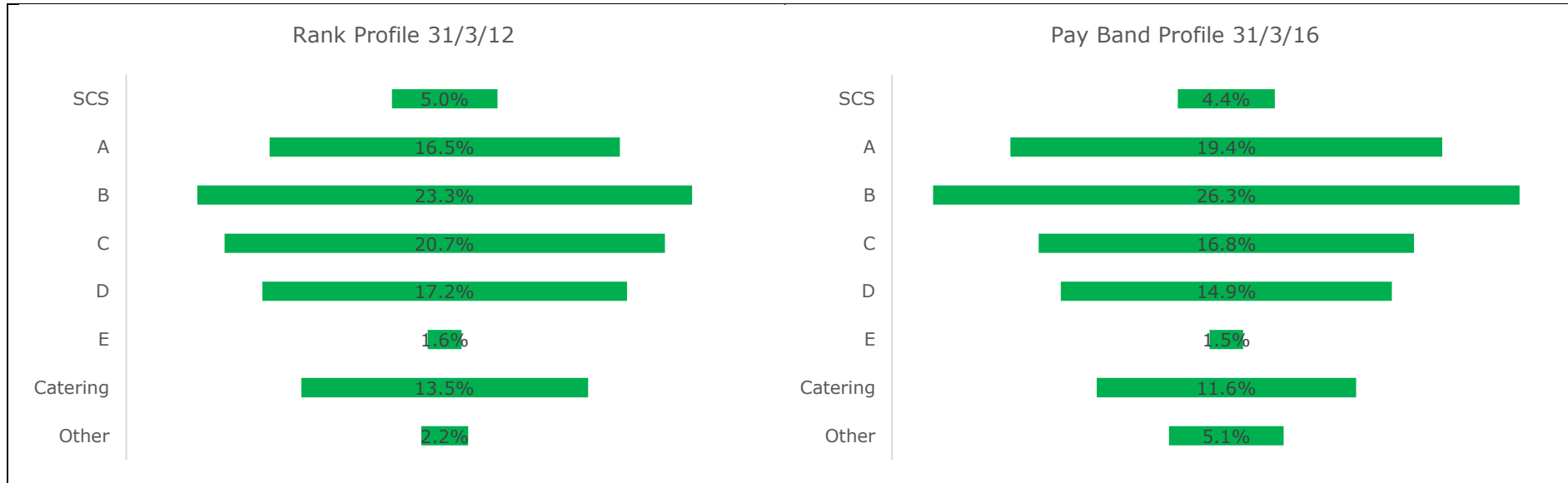
Changes in pay band distribution (FTE)

- 8.1 The increase in Catering FTE is in line with the increases in the Catering team highlighted earlier in this report. Other notable increases in FTE occurred at pay bands A and B. In particular, the pay band A2 FTE increased by 22.3 or 11%. These increases suggest that the total increase in FTE was predominantly filled by pay band A and B roles, which is in keeping with increasing headcount in DCCS. 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	31 March 2014	31 March 2015	31 March 2016	Change in FTE 2015-2016
SCS	72.5	67.9	69.7	1.8
A	267.0	279.7	310.0	30.3
B	386.5	385.3	421.1	35.8
C	252.4	261.8	269.5	7.7
D	239.6	241.8	237.8	-3.9
E	27.2	24.2	24.1	-0.2
Catering	170.3	172.5	186.3	13.8
Other	84.0	89.2	82.2	-7.0

- 8.2 The changes in the pay band distribution highlight that there has been a reduction in the pay bands grouped as “Other”, which reflects fewer sandwich students in 2015/16. The number of apprentices has remained stable reflecting the fact that apprentices have now become an established part of the workforce. Over the coming months further consideration of our apprenticeship scheme will be required in light of the introduction of the apprenticeship levy.
- 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.

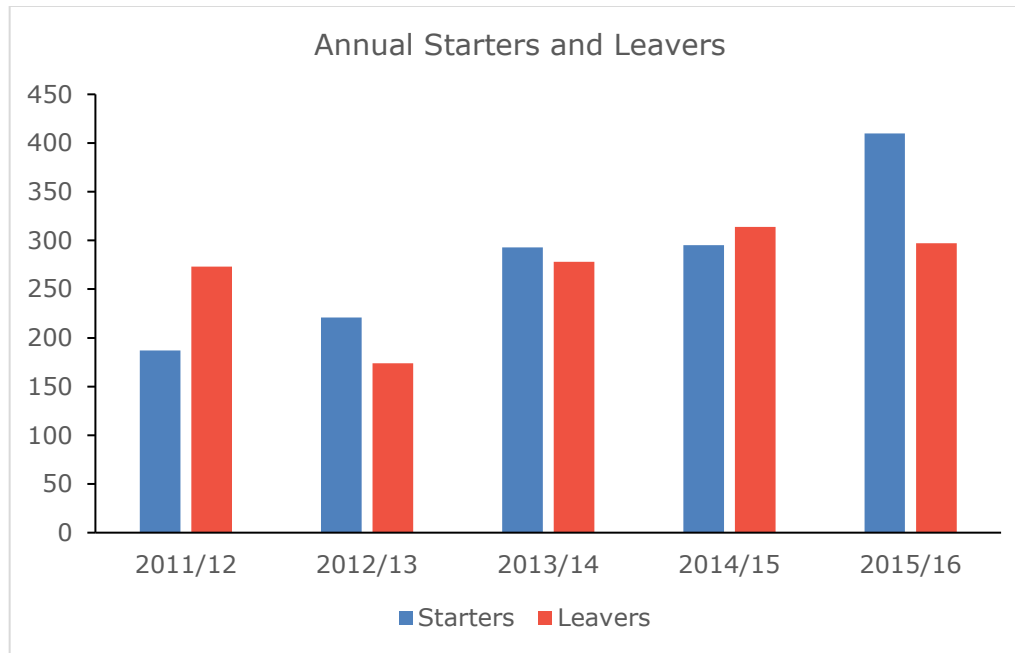


- 8.4 As was seen last year, over the past five years, there has been a noticeable increase in the proportion of staff falling into the “Other” pay bands, which in part reflects the creation of the apprenticeship scheme. There has also been an overall reduction in the proportion of catering staff within the House.
- 8.5 It is particularly noticeable that proportion of more senior staff within the House has increased and the proportions are even higher this year, which accords with the increase in pay bands A and B already mentioned. Pay bands SCS, A and B now represent 50% of the FTE workforce, compared to 48.2% in March 2015 and 44.8% in March 2012. As has been commented upon in previous reports, changes in the pay band distribution suggest that the greatest impact of past workforce reductions has been felt at the lower pay bands.
- 8.6 The proportion of permanent employees has remained relatively stable at 84.6% of headcount as at end March 2016 (85.4% at end March 2015). This is despite there being a number of temporary roles required to complete project work, such as the transfer of Security Officers, and continues to reflect the House’s aspiration to plan and manage “a largely permanent workforce”.

9. Starters, leavers and internal transfers

Reversing the trend seen in recent years, turnover has reduced although the resignation/retirement rate has increased. In line with increased headcount there has been an increase in the number of new starters. This maintains the “mixed economy” approach, where newcomers are valued and internal talent is encouraged.

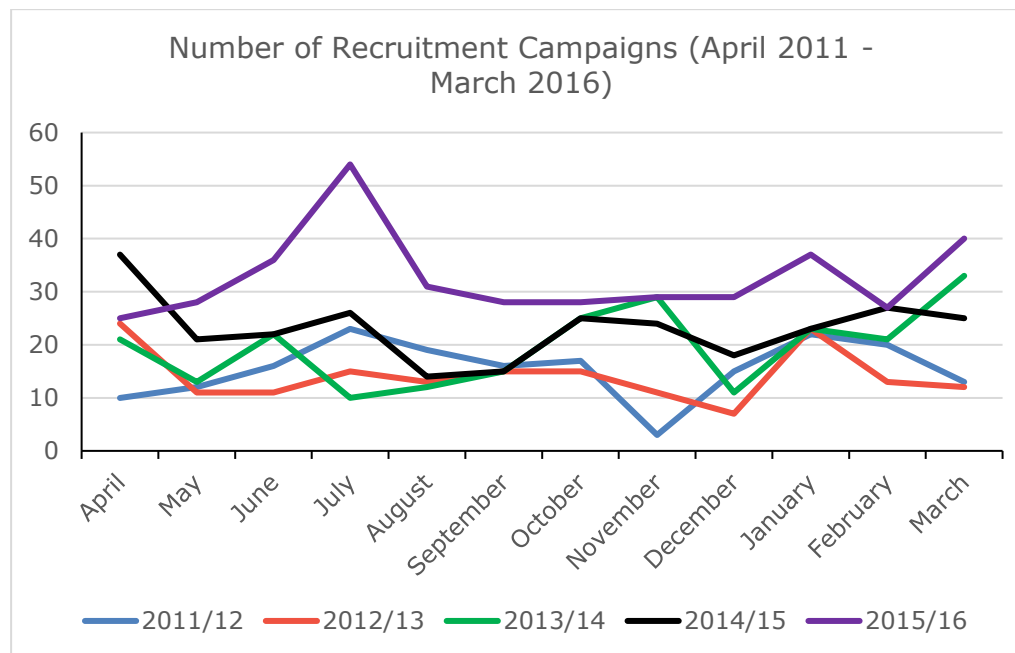
- 9.1 The numbers of starters, leavers, transfers and turnover are reported monthly to business areas. Overall, turnover, including PDS, had been increasing over the past few years. However, this trend has reversed this year and turnover, including PDS, stood at 14.1% in March 2016, down from 15.4% in March 2015 and more in line with the 2014 figure (13.8%). Turnover reduces to 13.1% 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 9.8% (9% in March 2015). This is probably the best measure of underlying turnover and demonstrates a slight increase, reflecting a higher number of resignations and retirements compared to last year (196 vs 171).
- 9.2 The Board will want to continue to monitor turnover. Staff uncertainty, for example created by the DGR, could increase turnover, as would a voluntary exit scheme resulting from the DGR. On the other hand, the new recruitment and retention pay flexibilities that were recently introduced as part of the Reward Strategy may help. Furthermore, the work being undertaken as part of the People Development Stripe, including talent management, should also aid staff retention.
- 9.3 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 PDS, agency recruits and secondees. The number of leavers has reduced, in line with the reduction in turnover.



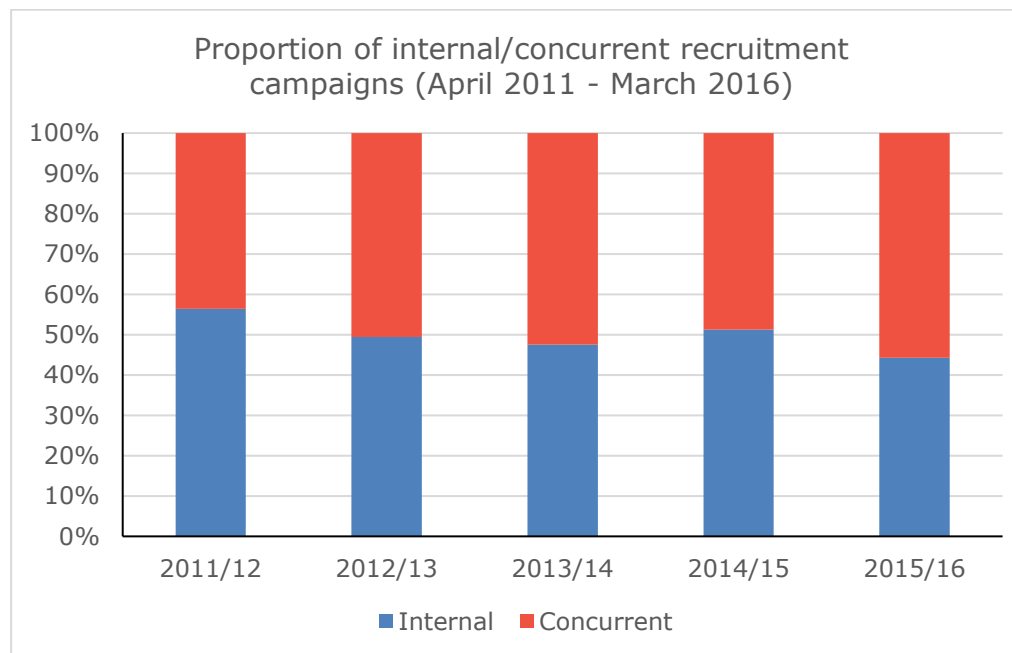
9.4 Since October 2015 an on-line leavers' survey has been sent to people leaving the House (including PDS), although only a limited number of responses had been received by end March 2016 (17). Nevertheless, some emerging trends can be seen, in particular, around 40% said they left due to a lack of professional development or promotion. The vast majority (over 80%) agreed or tended to agree with the statements "I was clear of what was expected of me in my job" and "I was given enough responsibility in my job". On the other hand, just over half did not feel that they had enough involvement in decisions that affected their work. Respondents' line managers were generally felt to be effective, with the possible exception of managing any underperformance, a theme that has also been highlighted in staff surveys. Just over 70% of respondents said that one of the things they liked most about working at the House of Commons/Digital Service was the people.

Recruitment Campaigns

9.5 The reports for the past two years have commented on an increase in recruitment. This year saw a significant further increase of over 40% compared to 2014/15, which represents an additional 115 recruitment campaigns over the course of the year. The volume of recruitment campaigns undertaken has more than doubled in the past five years. This includes both internal-only campaigns and those which appoint an external candidate. As the chart below shows, there was a particular peak in recruitment activity in July which reflects a requirement to fill roles following the 2015 election. Last year it was noted that the seasonal reductions in recruitment activity that had been seen historically were not occurring to the same degree. This trend has continued this year, which suggests that recruitment has become a sustained year-round activity.



- 9.6 This year saw an increase in the proportion of roles being advertised concurrently, although the split remains relatively even, which has been the case over the past few years. 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.





Transfers

9.7 The number of transfers between departments decreased slightly this year with 64 transfers occurring, compared to 67 in 2014/15 (these figures include transfers into and out of PDS). The transfer of Web and Intranet Service staff from Information Services (DIS) to PDS in April represented a relatively large proportion of the total transfers for the year (36%). Otherwise, transfers between DCCS and DIS are, perhaps not surprisingly, the most common transfers with 6 staff transferring from DIS to DCCS and 7 staff transferring from DCCS to DIS.

10. Sickness Absence and Health Referrals

The overall position with regard to sickness absence remains relatively stable and continues to need to be carefully managed. Average working days lost to sickness absence is now at its lowest level for 5 years.

Short and long-term sickness levels (all staff)

<i>Includes PDS</i>	March 2012	March 2013	March 2014	March 2015	March 2016
Average working days lost per person	6.6	6.7	5.4	5.7	5.2
% of working days lost attributed to long term sickness (28+ calendar days)	49.7%	55.3%	52.9%	49.5%	49.9%

10.1 The number of working days lost to sickness absence has reduced by half a day and is now at its lowest level for 5 years. This figure suggests that improvements over the past three years have been maintained and that sickness absence management in the House generally continues to work well. This provides particular reassurance given that regular monthly reporting of sickness absence is not currently practical.



10.2 The number of people at the House who had at least one period of long term sickness fell to 87 in 2015/16 from 103 in 2014/15 and 93 during 2013/14. This suggests that the ongoing work undertaken by the HR Advisory Service and the Parliamentary Health and Wellbeing (PHWS) service in enabling individuals to return to work more promptly or to manage exits effectively when a return to work is not likely within a reasonable time frame is having an impact. Nevertheless, long term absence is an area that Corporate Services will continue to focus on and which the Board will want to continue to monitor.

Sickness Absence Reasons

10.3 Minor illnesses, i.e. cold/flu and stomach disorders, continue to be by far the most commonly cited reasons for sickness absence, accounting for 50% of all absences recorded in 2015/16 (51% in 2014/15). However, these absences are generally short-lived and accounted for only 24% of working days lost due to sickness absence. In contrast, only 4% of absences were recorded as being due to “depression” but account for nearly 18% of working days lost, the largest proportion for any single absence type. A very similar position was seen last year. The PHWS are working to increase awareness of mental health issues and the help available. This work included raising awareness as part of the Mental Health Awareness week in May, including launching the PHWS’ Mental Health First Aider / Health & Wellbeing Champion role.

10.4 Last year it was commented upon that PHWS had seen an increase in anxiety and uncertainty being reported. This year has seen a further rise in both self and management referrals for anxiety and depression. Part of this increase reflects better recording resulting from PHWS using the Cohort IT system. However, PHWS have continued to see a rise in cases of anxiety, depression and stress and contributing factors remain the ongoing House restructuring program, including office relocation (e.g. anxiety around open plan offices/different sites). In addition, managers have also encouraged staff who are experiencing mental health distress to seek support (counselling) on a self-referral basis, before taking the next step of Management Referral. A higher number of referrals (to the welfare officers) have also come via Occupational Health Advisers. 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.

10.5 It was also commented upon last year that stress and mental health issues are cited as much more common reasons for absence in the public sector than elsewhere. This remains the case. According to the CIPD Absence Management report 2015, 65% of public sector organisations cited stress as one of their top 5 causes of absence and 41% cited mental ill-health (for example clinical depression and anxiety) as a top 5 reason. This compares to only 39% and 34% respectively for private sector organisations, and 47%/32% of

non-profit sector organisations. The CIPD survey also found that 41% of organisations had seen an increase in stress-related absence over the past year, rising to 51% for the public sector. A similar proportion cite an increase in reported mental health problems. The CIPD survey found that in the public sector the top three reasons for stress at work were i) workloads/volume of work; ii) considerable organisational change/restructuring; iii) management style. However, in the private sector the survey found that the top three reasons were i) workloads/volume of work; ii) non-work factors – relationships/family; iii) management style. This finding appears to accord with PHWS' observation around organisational change in the House being a major cause of mental health distress.

Occupational Health Referrals

10.6 During the reporting year, House of Commons employees attended 755 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 (please note, there may be more than one reason for a referral and an individual may have more than one appointment). Part of the increase this year reflects better reporting but it is also notable, 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	168
Musculoskeletal	93
Mental Health	423
Rehab and phased returns	71

10.7 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 (client confidentiality is always maintained). This year, 53 case conferences were arranged in total with HoL, HoC 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. 56 PHWS appointments were booked but not attended over the year.

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 The total number of employee relations cases (formal and informal) managed by HR Advisory Services (HRAS) during 2015/16 increased by 88%, from 143 in 2014/15 to 269. 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. Nevertheless, the increase continues the trend seen last year where there was a 32% increase in cases.
- 11.2 Continuing the trend seen over recent years, a much higher number of employee relations cases were managed formally this year. In particular, there was a significant increase in the number of formal conduct cases which were up by over 150%. The increase in formal cases will reflect increased confidence by managers in the process and their ability to manage it. Similarly, there has been an increase in informal cases discussed with HRAS, which have more than doubled over the year. Again this reflects more accurate record keeping by HRAS 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.
- 11.3 The number of both formal and informal grievances during 2015/16 remained relatively stable compared to 2014/15 (14 in 2015/16 against 12 in 2014/15). It remains to be seen whether the move to the IPR system and the introduction of contribution pay will impact the number of grievances raised, although a specific appeal process has been developed as part of the IPR process.
- 11.4 The number of informal and formal Valuing Others cases this year fell slightly to 9 cases in 2015/16 from 15 in 2014/15. The higher number of cases in 2014/15 most likely reflected Respect training undertaken that year which may have triggered more use of the policy.



12. Next steps

- 12.1 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 and the Welfare Manager.

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Corporate Services
22 June 2016