



# Swansea Bay University Health Board Turnover Report (Summary)

November 2022

## Introduction

Health Board managers believe turnover appears to have risen consistently over the last couple of months, and has reached a point where an analysis has been requested for clarity.

This report has been compiled to analyse the turnover of Swansea Bay University Health Board (SBUHB) to understand the reasons for the recent upturn in Turnover, and whether any action or intervention by the Health Board could reduce this figure.

Much of the analysis has been carried out using workforce data from 1<sup>st</sup> March 2019 to 31<sup>st</sup> August 2022 to understand 'normal' workforce trends versus the current position. The reporting period includes the Health Board's response to the COVID pandemic which may impact some trends, but does not include the period affected by the Bridgend Boundary Change.

Turnover for the purpose of this report is defined as the proportion of employees who leave SBUHB over a set period expressed as a percentage of total workforce numbers. Throughout the report, the metric used is turnover percentage in relation Headcount. It is also possible to use turnover percentage in relation to FTE. However, by reporting headcount, it will help to understand individual's circumstances and demographics when identifying trends and patterns and individual reasons for leaving the Health Board.

The report focuses exclusively on data relating to permanent and fixed term workforce and does not include bank staff due to the casual nature of this assignment category. Figures in this report also do not include training Medical & Dental staff and students as the annual rotation figures skew the starter and fixed term leavers rates.

## Highlights

- Swansea Bay University Health Board Headcount Labour Turnover Rate (LTR) has increased year on year since April 2019, peaking in 2021/22 at 11.14%. This is fairly consistent across Staff and Service Groups.
- Turnover rates were 18% higher this year between April - August 2022 compared to the same period last year.
- Leavers by 'Retirement Age' account for almost a quarter of all leavers over the reporting period with a noticeable peak in March 2022. This was likely due to the intended pensions arrangements changing, and many of these leavers returned within 45 days.
- Staff leaving the organisation due to Voluntary Resignation (VR) accounted for over a half of all leavers with four Voluntary Resignation categories (Other/Not Known, Promotion, Relocation and Work Life Balance) cumulatively accounting for 81% of all Voluntary Resignation leavers during 2021/22.
- 'Voluntary Resignation – Other/Not known' was the most common reason used by managers under VR, accounting for 34% of all leavers by VR in 2021/22. 'Voluntary Resignation – Work Life Balance', 'Voluntary Resignation – Promotion' 'Voluntary Resignation – Relocation' accounted for the remainder. In particular, Work Life Balance saw a significant rise since the previous year.
- 40% of VR leavers have less than 2 years' service and 68% less than 5 years' service in particular where the employee is of an entry level band for their profession.

## Conclusions

### General

- Turnover has increased year on year for the last three years, rising to 11.14% in 2021/22. April 2022 to 31st August 2022 shows an 18% increase on the same period last year indicating the increasing trend will continue for this financial year.
- Seasonal trends are identifiable, with July to October, and March, consistently showing above average figures compared to other times of the year. March in particular has emerged as the peak month in each of the 3 years.

### Retirement - Age

- 'Retirement – Age' contributes approximately a quarter of all leavers in 2021/22. This category has increased year on year, peaking in year 3 where number of leavers in March had risen by 81% over March 2019/20 and 52% higher than in 2020/21. In 8 out of the 12 months of 2021/22 averages p/month were the highest out of the comparable years.

There are several potential contributory factors as to why this trend may be appearing now;

- Many 'Retirement – Age' leavers fall into the NMC category (40% in 2021/22). It is possible that NMC staff may have felt duty bound to continue working beyond their planned retirement date to assist with the COVID pandemic.
  - NHS pension rates are applied each year to the end of the Financial Year, this may account for March figures always being significantly elevated compared to all other months.
  - The Coronavirus Act (2020) encouraged staff to return to work following retirement by temporarily suspending some of the regulations governing the administration of the NHS Pension Scheme. This was scheduled to end in March 2022, which may have affected NMC registered staff decision making, to ensure they would retire prior to the abatement being removed.
  - The McCloud remedy closed 1995 and 2008 sections of the NHS scheme with effect from 31st March 2022. NWSSP pensions confirmed the McCloud remedy did not remove the right to retire at age 55 for those who qualify and did not result in staff losing their benefits from the 1995 or the 2008 section of the pension scheme as they are protected. Based on feedback from affected individuals, NWSSP Pensions feel the decision to retire in March as result of the McCloud remedy may have been made through lack of awareness of the McCloud remedy and how it affects them.
- A consistent trend between all staff groups is the gradual increase in the age Health Board staff are deciding to retire. These shifts in retirement age can largely be attributed to two main reasons:
    - A reduction in staff occupying the 1995 and 2008 sections of the NHS Pension Scheme which allowed staff to retire earlier than the current 2015 section. This trend is expected to continue.

- Staff coordinating their retirement with the UK state pension age which has seen a gradual increase over time and now sits at age 66.
- N.B. Workforce Profile information indicates just over 20% of Health Board staff fall within the 56-70 age range, although this percentage levels differs between staff groups.
- An average of just over a third of leavers due to Retirement Age leavers were rehired within a 45-day period in the first 3 years of the reporting period with the final year being the highest. A larger number returned in the first few months of 2022/23 (77%) which correlates to the much higher rate of leavers in March 2022.
- The retire and return rates differ between staff groups with Nursing and Midwifery Registered staff accounting for the majority of returns over the recording period.
- We have no data on reasons for retire and returning, however, the increases experienced support the theories listed above.
- There was a definite shift in retirement age trends over the reporting period, from peaking at 55 in year 1 to 66 in years 3 and 4. This shift isn't unexpected as less staff now occupy the 1995 section of the NHS Pension scheme which attracts Special Class status for Nursing and Physiotherapy staff.

### **Voluntary Resignation (VR)**

- Staff leaving the Health Board due to Voluntary Resignation accounted for just over half of all leavers during 2021/2 with 10 of the 11 Voluntary Resignation categories recording their highest accumulated levels the same year. In combination, 'Voluntary Resignation – Other/Not Known', 'Promotion', 'Relocation' and 'Work Life Balance', collectively accounted for 81% of all Voluntary Resignations during 2021/2. Additionally, each of these categories saw significant increases in leaver activity during 2021/2 compared to the previous year, particularly with leavers due to Work Life Balance which experienced a rise of 118%.
  - Nursing and Midwifery represent the largest staff group of leavers due to Voluntary Resignation over the recording period, forming 33.8% of all leavers for VR and 34.2% of all leavers by VR in 2021/22. This indicates that the rate of attrition is remaining stable.
- 'Voluntary Resignation – Other/Not known' was the most common reason used by managers under VR, accounting for a third of all leavers by Voluntary Resignations across the reporting period. This leaver category saw a year on year increase including a 25% increase in leaver activity in 2021/22 compared to the previous year.
  - Use of this leaver category is unhelpful because it denies the Health Board the opportunity to be able to accurately analyse trends and patterns and may be concealing additional meaningful trends.
  - ESR offers 31 categories in total to account for leaving reasons. Therefore, this category should only be required in the most obscure or niche scenarios unless the line managers completing the leaving forms actually did not know the reason for leaving. If that is the case, then this in itself may be indicative of a need to educate line managers around handling resignations effectively.
- 'Voluntary Resignation – Work Life Balance' accounted for 15% of all leavers by Voluntary Resignations across the recording period and 18% of all leavers by VR in 2021/22. This

leaver category experienced the biggest increase in leaver activity in 2021/22 compared to the previous year of all leaver categories over the reporting period, rising by 118%.

- The Health Board operates a Flexible Working policy which can assist staff and managers with flexible and agile working requests, however, staff may not be aware of the policy or the policy content and the rights to requesting flexible working. In addition, managers may be reluctant to grant flexible working requests particularly whilst the Health Board responds to high workload and waiting lists following the COVID pandemic.
  - Flexible Working assumptions cannot be corroborated with data as Flexible Working requests are handled locally and we are not aware of any database that we could gain insight into centrally.
  - It could be logical to assume that if someone were struggling to balance work/life commitments they would be more likely to need a reduction in hours and a review of the number of working pattern changes processed by the Health Board indicates a year on year increase in the number of changes where working hours have been reduced. However the data does not record how many applications are declined by managers and so we have no reliable means of measuring the ratio between the two.
  - Even with its' limitations, the data suggests that the expected/required balance between work and home life is not being fully met by the HB at present.
- Bank and Agency usage has increased during the pandemic. Both of these avenues are able to offer Nursing Staff more flexible working and, in the case of Nursing Agencies, are able to offer nurses a perceived 'better' remuneration package. Whilst this usually means an improved hourly rate which is attractive, decision making often doesn't take into account additional benefits e.g. pension and sick pay. Nevertheless, this may be contributing to the increases we are seeing in VR's in terms of offering a better financial reward, enabling less hours to be worked in exchange. Anecdotal evidence gained from senior nurses within the HB indicate that they are seeing evidence of this, although the sample size is low we have no reason to believe the same motivations would not affect the wider staff base, particularly in relation to clinical staff with highly desirable skills.
  - 'Voluntary Resignation – Promotion' accounts for 14% of all leavers by Voluntary Resignations across the recording period and 13% of all leavers by VR in 2021/22. Despite the drop in overall percentage of leavers by VR in 2021/2, 'Voluntary Resignation – Promotion' leavers saw an increase in activity on the previous year by 17%.
    - The reason for the increase is not available via collected data, however we could speculate that this may be due to people's approaches having been affected by COVID i.e. many people worked outside of their normal areas and comfort zones during the pandemic, many broadened their skills and perspectives and it may be that this in turn gave them the confidence and impetus to apply for promotional positions that may have previously been filled by external candidates. It could be assumed that this data indicates a good (or at least improving) level of personal development for staff to prepare staff for career progression.
    - Conversely, our analysis also shows the highest category VR leavers, leave the organisation at the entry level band within 2 years of commencement. This may

indicate a lack of career progression opportunities for staff who have been trained and developed within SBU Health Board.

- It may also be reasonable to assume that in there would be some element of 'exchange' across HB's and there will be a corresponding number of staff joining SBUHB for the same reason from neighbouring HB's. A review of hires during the reporting period, indicates 38% of new starters were from other NHS organisations.
- There is some evidence that managers do class internal Promotions as a resignation, which should not happen and contaminate the data to some degree. However, the proportion is very small as far as we can tell. Highlighting as there are other classification concerns discussed in this report, and this is further evidence of a potential requirement to educate line managers.
- 'Voluntary Resignation – Relocation' accounts for 18% of all leavers by Voluntary Resignations across the recording period and also 18% of all leavers by VR in 2021/22. Leaver activity in this category was 49% higher in 2021/22 compared to the previous year and just under 19% higher compared to 2019/20.
  - This figure is exceptionally high given that the definition of 'Relocation' would normally mean an individual physically moving to a location which prevented them from practically attending the same work location. This requires a quite significant, life changing decision which is not known to be common, at least not to the degree shown in these figures.
  - We suspect that, similar to 'Voluntary Resignation – Other/Not known', this category may be experiencing over-use, with a suspicion that it is being used to describe a move to a neighbouring HB, when there are a range of other categories that might better describe the motivation for a member of staff to do that and provide better insight into patterns.

### **End of Fixed Term Contract**

- 'End of Fixed Term Contract' was the only other category of note in terms of leaving reasons. This accounted for 9% of all leavers across the recording period and 5% of all leavers in 2021/22. However, extraordinary circumstances does lead to this figure being distorted somewhat, and levels have now returned back to normal, indicating that this is not a significant factor in the overall increases seen.

### **Length of Service**

- In terms of Staff Group and length of service profile, NMC, ACS, AHP and A&C all saw similar significant increases in leaver activity year on year during the period. Furthermore, clusters indicate that the highest percentages of leavers are consistently during the first 2 years of service and from the lowest bands within their staff groups.
  - 28% of Health board leavers aged <40 left the organisation due to Voluntary Resignation within the first 2 years of employment, this extends to 46% with less than 5 years' service over the reporting period. Factors such as millennial trends,

lack of development opportunities and, as over three quarters of the Health Board workforce are female, maternity and childcare may be key contributory factors to this trend.

- Across all age groups, 40% of leavers due to voluntary resignation within 2 years and 68% within 5 years of commencing employment suggesting a health Board issue retaining staff.
- A common theme seen across most staff groups is the highest percentage of VR leavers appear in the entry level bands and within 0-2 years in most staff groups (in the case of Estates & Facilities, entry level is at band 2 since the cessation of Recruitment into band 1 roles). Across all staff groups, an average of 22% of all VR leavers occupy the entry level band and have less than 2 years' service. When you combine this with staff with less than 5 years' service this rises on average to 34% which means over a third of staff who we have dedicated time, effort and resources to recruit, develop and manage are leaving within 5 years. Whilst emphasis can be targeted to understand why staff are leaving, investing in initiatives to help retain these staff would be more beneficial.

## Recommendations

In order to address the findings above, we suggest considering the following recommendations.

- Collaboration with NWSSP Payroll to reject 'Other/Not Known' and 'Relocation' categories on termination forms, to be replaced with more relevant reasons
- Review Line Manager training and development for handling resignations to ensure that appropriate discussions are held. This would enable reasons for leaving to be established with certainty, and mitigation considered in cases where a resignation may be avoidable.
- Establish Task and Finish Group to identify hotspot areas for additional focus, and likewise areas performing well, to identify differing practices and approaches which may be adopted more widely.
- Improve and enrich information gathered on leavers by introducing a co-ordinated Health Board approach to exit/leavers questionnaires which might include:
  - Consider targeting key leaver groups e.g. those leaving within 5 years of commencement, with specific questionnaires to increase learning from enhanced exit data.
  - Consider scoping of specific exit interview software to appropriately handle the issuing of questionnaires, and ensure data is available in a usable format.
  - This will enable us to understand with accuracy, the specific reasons for work/life balance leavers, as well as the attrition rate for employees with <5 years' service, these being our biggest areas of concern as a result of available data.
- Raise staff and manager awareness of support available via policies and processes to compensate for personal circumstances.