

Item No. 17.	Classification: Open	Date: 7 June 2016	Meeting Name: Cabinet
Report title:		Workforce Data Report	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Peter John, Leader of the Council	

FOREWORD - COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

Nearly three years ago Cabinet agreed a workforce strategy to support our mission to deliver a fairer future for all in Southwark. This strategy focused on the main employment areas that would help us meet our fairer future promises.

This report provides an update on our progress and contains the annual workforce data report, which provides statistical information on staff and employment activity. It also highlights aspects that require further consideration as we start revising our strategy for the future.

It is clear that we will face further constraints on our services along with ongoing budgetary restrictions, and within this context there are encouraging indicators coming from this report. The measures taken to avoid compulsory redundancies, where possible, are protecting employees, and we maintain a productive and motivated workforce, with low sickness rates, fewer complaints and a high level of retention. We must sustain this commitment in our future plans.

The annual workforce data report provides statistical information on areas of employee activity during the past year. It shows that our workforce is reflective of the local community and that we are meeting our Equality Duties. It also provides a strong indication of the success of our apprenticeship programmes and that our workforce is developing the skills and knowledge that will enable us to deliver innovative and high quality services for all our customers in the future.

RECOMMENDATIONS

That the cabinet:

1. Notes the progress made against the council's workforce strategy 2013-16.
2. Notes the workforce reports attached as appendix one and two and that these reports:
 - a. Demonstrate that the council continues to reflect the diversity of the borough in the makeup of its workforce and the levels of change that have taken place have not impacted negatively on the diversity of the workforce;
 - b. Demonstrate that the council has protected frontline staff despite the level of savings that have been made due to reductions in central government funding;

- c. Suggest a picture of productive and well motivated staff with low levels of sickness, low levels of staff complaints and good rates of staff retention and that this supports the results of the staff survey and the LGA peer review.
 - d. Suggest that the council is an attractive employer given the high numbers of applications that the council receives;
 - e. Will inform the work on the refreshed workforce strategy, suggesting some areas requiring further consideration and action for example in encouraging staff to declare disabilities so that the council can monitor our commitment to employing and retaining staff with disabilities.
3. Notes that a refreshed workforce strategy will come to the 1 November cabinet meeting, which will incorporate actions coming out of this report and will support the delivery of the refreshed council plan.

BACKGROUND INFORMATION

4. In October 2013 cabinet agreed a three year workforce strategy to support implementation of the council's aims and objectives. The strategy is a forward looking view of the council's aims and ambitions in the management of its human resources. It is a dynamic statement, reviewed regularly in light of prevailing circumstances, including the economic climate, to ensure that it remains contemporary.
5. In March 2016 progress against the workforce strategy was reported back to Cabinet. It was agreed that a refreshed strategy will be presented to Cabinet in October 2016.
6. The Equality Duty 2010 is supported by specific duties, which require public bodies to publish relevant, proportionate information annually demonstrating their compliance with the Equality Duty. Information must be published in a way which makes it easy for people to access it and, for public bodies with 150 or more employees, to consider how their activities as employers affect people who share different protected characteristics. The span of information to be published is not specified within the Duty, but it is suggested that the following could be included -
 - composition of the workforce;
 - pay equality issues; in Southwark this is shown by profile at different grades;
 - recruitment and retention rates;
 - learning and development opportunities;
 - grievances and disciplinary issues for staff with different protected characteristics.
7. Published information could also include plans to address equality concerns within the workforce, and information from staff surveys. We address this through the workforce strategy.
8. To meet this requirement, the council produces an annual workforce data report which includes a range of Human Resources (HR) related data. This is published on the council's website.

9. The annual workforce data report provides statistical information on areas of employee activity in the year. The 2015-16 report is attached at Appendix one, and for information the 2014-15 the report is provided at Appendix two.

KEY ISSUES FOR CONSIDERATION

10. The workforce strategy has set out seven key employment related areas to support delivery of the council's fairer future promises:
- Recruitment
 - Resource management
 - Employee development and career opportunities
 - Reward, recognition and support
 - Engagement and communications
 - Identifying and developing leaders
 - Building a workforce for next generation public services.
11. The workforce data report provides some key information to consider within the context of the workforce strategy.

Recruitment:

12. It is essential that Southwark is an employer of choice and we recruit staff of sufficient numbers and talent to deliver our fairer future promises. The workforce report demonstrates that:
- a. Competition for posts is vital to ensure the council is able to appoint the best quality candidates; in 2015/16, the council received more than 9,000 applications for 442 openings, averaging over 20 applications for each opening. This demonstrates that the council is seen as an attractive employer, in spite of the recent cuts to local government.
 - b. The council prides itself on ensuring that all applications are treated equally. In terms of gender and disability, the success of people at different stages of the recruitment process remains proportionate to the percentages of people who applied, were short listed for interview and hired.
 - c. 49% of those recruited are from a BME community. The difference between the percentage recruited from BME communities (49%) and the percentage of BME applicants (64%) is not significant and is explained by the fact that those recruitment exercises with the largest number of applicants tend to be those with the highest number of BME candidates.
 - d. 451 people started work with the Council during the year 2015-16. This number is 52 lower than the previous year when there were 503 new starters.
 - e. Those starting work during 2015-16 have not made any noticeable changes to the profile of our workforce in terms of gender, age, disability or ethnic origin. 60% staff hired during the year are female, 49% are from BME communities, and 5% classified themselves as having a disability. This is comparable with the figures in previous years.
 - f. 81% of advertised posts were recruited to within 3 months. This is lower than our ambition to achieve 90% of posts recruited to within 3 months.

- g. 1.8% of our workforce are apprentices or first entry against a target of 3%.
- h. We will be reviewing recruitment processes and timescales to improve a number of areas in recruitment as part of our revised workforce strategy.
- i. The workforce report shows an increase in the percentage of employees within the age banding of 16 to 24 years old. This can mainly be attributed to the success of our apprentice programme, with many young people entering the programme and moving into permanent employment upon graduation.

Resource Management

13. The council is committed to ensuring we use every penny as if it were our own through striving to do things better. The report shows that:
- a. The council has protected frontline staff from cuts where possible; despite having to make significant savings in 2015-16, there was just a 6% reduction in the workforce in comparison to a much larger reduction in the overall budget. To put that into context, the average London borough now has approximately 2800 staff but Southwark still has more than 4500.
 - b. It is important that the council reflects the diversity of Southwark. In terms of gender, ethnicity, age and disability, the council reflects the borough. For example, 50.5% of Southwark is female and 51% of the council's staff are female. Similarly, 45.8% of Southwark's residents belong to a Black and Minority Ethnic (BME) group and 48% of staff are BME.
 - c. Sickness absence rates showed another decrease this year, with an average of 6.63 days per employee. This reduction exceeds the 5% reduction target set in the workforce strategy and continues to be lower than the average sickness rates across London boroughs, currently 7.5 days per employee. To achieve a reduction during a time of uncertainty and budget reductions is particularly noteworthy, as is the fact that 51% of the workforce had no sickness absence during the year 2015-16.
 - d. The council was formally awarded the Achievement level of the London Healthy Workplace Charter in 2015 after providing detailed evidence against criteria on leadership, health and safety, attendance management, smoking, healthy eating, physical activity, mental health and wellbeing and alcohol and substance misuse.
 - e. Throughout the year a total of 384 people left through the council's voluntary redundancy scheme. Three officers were made compulsorily redundant in the Children's Centres' programme. It should be noted that scheme 3 of the Voluntary Redundancy Scheme is currently open for applications, so further redundancies should be expected up to September 2016.
 - f. Agency workers are not employees of the council, but they are an important part of our resourcing arrangement. There is a continuing year-on-year trend reducing the number of workers on assignment. At its peak in 2010 there were regularly more than 600 agency workers at any given time. The "snapshot" across 2015-16 shows that the number of agency workers on assignment ranged from 327 and 416, this is broadly comparable with the

number and range for 2014-15. At the end of March 2016 7% of the workforce were agency staff.

- g. The number of staff with disabilities fell for the third straight year and is now under the London average 5%. Southwark has been a Two Tick disability employer for the last eight years, recognising our commitment to employing and retaining staff with disabilities. Whilst new employees are encouraged to declare any disability at recruitment, it is recognised that existing employees who become disabled during their employment need to be encouraged to declare their disability.
- h. As a result of enhanced voluntary severance packages being available throughout the year, there has been a very small number of redeployees who have all received a support programme. Going forward we recognise that this may change and we will review the support provided as part of the revised workforce strategy.
- i. The broad ethnic origin of staff leaving the council is balanced with 51% BME staff and 48% white staff leaving, which is broadly similar to the workforce.

Employee development and career opportunities

- 14. The council must develop people's skills and knowledge so that they enjoy productive careers and deliver innovative high performing services and excellent customer care. The council has achieved the following:
 - a. Investors in People awarded Gold status by IIP in August 2015, as recognition of our investment in staff learning and development. Only 14% of the companies awarded Investors in People status achieved the Gold standard in 2015.
 - b. There has been provision of a comprehensive set of training programmes. Over 8,000 training days were recorded across the workforce in 2015-16. This figure shows a 20% increase compared against the 2014-15 figures.
 - c. The proportion of those attending is broadly in line with the profile of our workforce, although less male staff attended training compared to female staff, including the ILM programme. This will be addressed through a number of mechanisms e.g. performance management, developing strategies that encourage learning and development to all staff equally.
 - d. The creation of the Housing Academy in partnership with the Chartered Institute of Housing has had 42 staff (26 apprentices and 16 trainees) undertaking the training programme.
 - e. The Southwark women's network was successfully launched at the beginning of 2016.

Reward, recognition and support

- 15. Pay and non financial rewards are powerful motivators of our staff. They must be fair, seen as fair and robust to external scrutiny.

- a. The performance management scheme links the performance of the employee to the attainment of organisational aims. Under the scheme staff may be recommended for an incremental award on 1 April in each year (until they reach the maximum point of their grade). During April & May 2016 50% of those employees eligible received an increment. This is lower than in previous years, but it should be noted that a final decision on incremental award remains outstanding for a number of staff.
- b. The award of increments agreed to date this year is broadly in line with the profile of the work force.
- c. 76% of staff are in the pension scheme. Auto enrolment will take place for all staff not in the pension scheme in May 2016.
- d. No cost to the council staff benefits including season ticket loans, bike scheme, free gym and swim, childcare vouchers and staff discounts platform continue to be available to staff.
- e. The London Living Wage has been implemented and maintained across the entire workforce.
- f. Market intelligence, performance management and competencies will feature in our revised workforce strategy.

Employee engagement & communication

- 16. Employees must trust the organisation and be committed to its goals. They must be empowered to believe their views count and will be acted upon. The staff survey, LGA peer review and workforce report demonstrate that:
 - a. As previously reported, the results from the 2015 staff survey showed that the majority of employees (70% of the respondents) are satisfied with their jobs. The majority of staff (66%) would speak highly of the council as an employer and service provider.
 - b. The LGA peer review had positive findings in relation to staff attitude, commitment to addressing inequalities and commitment to the fairer future council plan.
 - c. The workforce report shows a relatively low number of disciplinary investigations and actions across the workforce and there are very few staff complaints. The number of staff subject to disciplinary or capability actions are few and equate to less than 1% of the workforce. These may be considered as indicators that the council has robust and compliant processes in place and that the vast majority of staff have engaged positively with these.
 - d. The number of BME staff subject to disciplinary, capability, complaints and respect at work complaints compared to white staff is broadly in line with the workforce profile.
 - e. The organisation development plan will focus on a number of initiatives regarding employee engagement and communication.

Identifying and developing leaders

17. The council aims to employ and develop managers who can demonstrate the courage, energy and capability to deliver organisational goals, and in partnership with others. With regard to this area:
- a. Our Leadership and Management Development programme offers managers at different levels the opportunity to enhance their skills and knowledge to progress their careers. The programme is endorsed by the Institute of Leadership and Management (ILM). Since the leadership programme commenced in 2014, 137 managers completed the programme in its first year.
 - b. In 2015-16 a total of 156 employees participated on the programme, across three different levels.
 - c. The number of BME staff at JNC level (grade 14 and above) has remained consistent during the year. The figure at year end 2015-16 is 14.6%, slightly lower than the figure of 15.1% at 31 March 2015. It is worth noting that the number of BME leavers (grade 14 and above) leaving on redundancy has reduced the overall number of BME staff at this level.
 - d. Developing a culture with the appropriate attitudes and behaviours to build upon the skills, knowledge and ability of our existing workforce to deliver organisational goals will be part of the revised workforce strategy.

Building a workforce for next generation public services

18. The council aims to draw on the talent and diversity of London communities to create a workforce with the capability and confidence to meet new and challenging demands:
- a. In the year 2015-16 the council engaged 60 new apprentices, the same number as taken on during 2014-15. A further 331 were engaged directly through our supply chain partners (Lend Lease, A&E Elkins, Mears, Saltash, Keepmoat, Capita, Interserve, Conways Aecom, SCCI Alphatrade, and JA Stott Carpentry).
 - b. The Future Leaders Programme has been designed to build the future leadership capability and capacity for the council. There were 42 participants on our “Developing Future Leaders Programme” in 2015-16. Programme members will attain qualifications and develop their career in alignment with future council business needs.

Policy implications

19. Some action points may require amendments to existing HR policy as part of the development of the workforce strategy and will be subject to the appropriate approval process.

Community impact statement

20. Any policy changes will be subject to impact assessments.

Resource implications

21. There are no specific implications arising from this report. Existing resources are already in place to meet the strategic aims. Any actions arising which have resource effects will be subject to separate decision-making process and reallocation within existing budget.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law & Democracy

22. The Director of Law & Democracy (acting through the corporate section) notes the content of the report.
23. The report asks Cabinet to note progress made to the council's workforce strategy which was agreed by Cabinet in October 2013 and updated in October 2014.
24. This is in accordance with Part 3B of our constitution.
25. The Equality Act 2010 (Specific Duties) Regulations 2011 impose on public bodies a specific duty (Specific PSED Duty) to annually publish proportionate equality information in respect of their workforce to demonstrate their compliance with the general Public Sector Equality Duty (General PSED Duty) set out in section 149 of the Equality Act 2010.
26. In producing and publishing the annual workforce reports as appended to this Report the council is meeting that Specific PSED Duty.
27. The PSED General Duty is a continuing one and the proposed refreshed Workforce Strategy referred to in paragraph 4 of the Report will assist the council in complying with that General Duty.

Strategic Director of Finance and Governance

28. The strategic director of finance and governance notes the recommendations in this report. Where the updates to the council's workforce strategy have financial implications, these will be managed within the existing agreed budgets for 2016/17 for the council's general fund and housing revenue account.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Workforce Report 2015-16
Appendix 2	Workforce Report 2014-15

AUDIT TRAIL

Cabinet Member	Councillor Peter John, Leader of the Council	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	Marie Rance, Acting Head of Human Resources	
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
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Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
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