

Item No. 2.	Classification: Open	Date: 25 th July 2005	MEETING NAME Cross-Party Ouseley Review Working Group
Report title:		Workforce Report	
Ward(s) or groups affected:			
From:		Head of Human Resources	

Recommendations

1. That Members: -

- a) Note the intention to launch an Accelerated Development Scheme in September (with first placements in December) in line with Lord Ouseley's recommendation, as a first step to improving proportionality at senior manager level.
- b) Note Southwark's positive comparative position in BME employment profile as detailed in para 8.
- c) Endorse the key action point being sustained improvement in the profile of the top 5%
- d) Note the intention for further consultation before finalising the action plan attached to the workforce report.

Background

2. Annually the Council has to report on a range of information about its workforce to meet the requirements of the Race Relations Amendment Act (RRAA). The report must include information on the racial composition of the workforce and the impact of different HR practices (recruitment, discipline etc) on people of different racial groups. In response to the monitor the Council has to prepare an action plan to redress any areas of adverse impact. Both the monitor and the action plan must be published, normally on the Southwark website.
3. In addition to race, Southwark's Workforce report includes information on gender, disability and other pertinent management information, e.g. length of service and age.
4. At this stage, the report contains the base data without a finalised action plan. The final plan will be published following discussion at this meeting, with the BME Consultation Group, the Trade Unions and the Council's senior management team.
5. Lord Ouseley raised a number of issues within his report, which related to the information contained in the workforce report for 2003/4. These can be summarised as:
 - Inclusion of HR statistics on agency workers; As reported to the May working group meeting, the Council does not currently hold data on

agency workers. Measures to include workforce data are being pursued as part of the procurement of a new corporate agency contract.

- Profile of top managers in the Council. Again, as reported to the May working group a range of developments are being initiated to improve the Council's position. A scheme for accelerated development of talented people (aimed at women and BME staff) will be launched in September as a first manifestation of this activity.
- Profile of other workforce areas. The example given was Building Workers. As reported to the last meeting, a range of activity is underway to address these areas of concern. For example, Building Services are well on the way to taking on up to 8 apprenticeships from September, primarily targeted at underrepresented groups.
- Proportionality of disciplinary action. No concerns arise from the 2005/6 data. Analysis shows more uniformity of activity relative to the workforce as a whole. The numbers remain small (less than 1% of the workforce) and therefore small changes in profile will have a dramatic effect. Deeper scrutiny of disciplinary outcomes has been undertaken, which shows good use of balanced panels (ethnicity / gender) and proportionate sanction relative to charge. Quarterly monitoring has commenced on current year activity.
- Disproportion in the recruitment statistics. Analysis has taken place on the 2004/5 data and the following points need to be noted.

1. The trend identified previously (2003/4) is present again, i.e. BME applicants achieving incrementally less success than white applicants through the process, although to a much smaller degree. Extract of 2004/5 data (% rounded):

Recruitment:

	BME	White	Not Stated
Applicants	56%	29%	15%
Short-listed	49%	34%	17%
Appointed	40%	40%	20%

However, in terms of outcomes, the actual proportion of people from different communities who commenced with the Council is -

	BME	White	Not Stated
Starters:	48%	49%	3%

The reasons for this variance are described in 5.3 below.

2. The numbers classified as "not stated" are very significant, compared to the variances, and therefore conclusions are difficult to draw. "Not stated" can arise from a number of circumstances; candidate does not complete the question, default where the form entry cannot be understood, lax data inputting. Because of the nature of the recruitment process, until appointment, this question will not be asked again.
3. Making comparisons with starter information shows that a large proportion of recruitment activity is not captured in the statistical collection currently, albeit data collection methods have much improved. This is a matter that needs to be addressed urgently, although when Pearsons become responsible for response handling and data capture in early 2006, much of the difficulty will be eliminated.

4. All in all, considering the data validity issues identified in 2 & 3 above, and looking at the starter information, the variances on recruitment are not of significant magnitude to raise concern alone. The outcome for the Council is that Southwark continues to employ a greater proportion of people from the BME community than exists in the workforce already and significantly more than the local population. The Council remains in the top quartile (BVPI London & Nationally) for BME employment for the workforce as a whole, and for the top 5%.
5. It is recommended that future analysis of recruitment information concentrates on the top 5% where relative disproportionality exists, to inform the development of talent management programmes to deliver real improvements in senior management representation.

Key Southwark Statistics

6. The report provides much detail to meet the requirements on reporting and to give a complete picture of Southwark's workforce. Ten key issues are highlighted as: -
 1. 52% of the workforce are women.
 2. 45.76% of the workforce are from bme communities. After "White British", more employees are likely to classify themselves as "Black British" (15%) than any other group.
 3. The proportion of women and bme staff falls at higher grades.
 4. 2.23% of staff have declared a disability. 6% who responded to the anonymous staff survey in 2004 said that had a disability. Whilst this percentage may not be replicated over the whole workforce, it does suggest numbers are far higher and that there is more work to do in promoting an environment where people feel able to openly declare their disability.
 5. Most staff are in the 40-49 year age group. This trend is similar across staff from all ethnic groups except Asian employees where the greatest proportion of these staff are in the 20-29 age group.
 6. The statistics on service, starters and leavers and any conclusions are complicated by transfers of employer. However during 2004-05; the split of starters from BME communities and White employees was virtually even.
 7. The average days sickness reduced to 10.63 days.
 8. The proportion of BME applicants who were successful at recruitment was lower than the proportion of BME applicants at applicant stage, but the differences are less stark than in the previous year. As recognised in the report there is more work to do in improving the recruitment data and better aligning this with information on those who commenced employment.
 9. There are more men than women who are the subject of disciplinary and capability action. The ethnic origin of those subject to

discipline/capability is very close to the relative proportions in the workforce.

10. Very few staff complaints have been registered (just over 1% of workforce) and are similarly balanced to the workforce profile (especially at non-managerial levels). Of note is the number of stage 2 cases which remain unconcluded (the Trade Unions & BME consultation group have made a similar comment) some of this will be explained by the timing of the process and the annual cut-off, however this will need follow up to ensure appropriate application of Council procedure, and whether the current approach remains fit for purpose.

How We Compare

7. There is not a database that will enable us to compare HR activities (recruitment, staff complaints etc) with other employers – in either the public or private sector. The Association of London Government are currently trying to benchmark across London local authorities but this is at a very early stage and is receiving mixed compliance – Southwark is participating.
8. Workforce data that is available includes the BVPIs. Due to the lag in compiling comparative data, 2004/5 figures will not be available until January 2006. Averages across London are as follows: -

	London wide 2003/4	Southwark 2004/5
Top 5% of earners who were women	38.42%	35.82%
Top 5% of earners who were from BME communities	11.55%	17.16%
Percentage of employees who declare they have a disability	2.66%	1.28%; without schools 2.23%
Percentage of employees from bme communities	22.5%	45.76%

9. Similarly only external sickness data for year 2003/4 is available; average across all London Boroughs was 11 days, excluding schools. (Southwark average year ending March 2005 10.63 days).

Action Planning

10. As noted in paragraph 4, the Council will seek to publish an action plan following the conclusion of consultation. Discussions have started with the BME Consultation group and the Trade Unions, based on initial data. It has been recognised, however, that there is nothing in the base data which is being presented that would invalidate the plans already in place as part of the Corporate Equality Action Plan and in response to Lord Ouseley's review. The key activity is now to increase compliance with the use of corporate systems to ensure that the data sets continue to improve.
11. In summary, action planning will include the following, the detail has been previously provided to the Cross Party Working Group (May 2005) in the report *Employment & Workforce Issues*: -

- a) Improvements in data collection
 - Recruitment data
 - Agency statistics
 - Better understanding of disciplinary/ capability actions

- b) Addressing disproportionality in the workforce, through
 - Talent management; accelerated development initiative launch September
 - Access posts (Apprenticeships), &/or targeted recruitment in some areas e.g. Building Services, and developing career pathways.
 - Promotion of worklife balance options.
 - Addressing issues faced by people with disabilities.

- c) Monitoring, through improved data and
 - Compliance audits of key HR processes
 - Use of the independent auditor
 - Internal challenge through consultation with BME consultation group and the Trade Unions
 - Equality impact assessment in 2006.

- d) Support and accountability through
 - Improved equalities training at all levels
 - Ensuring appropriate equalities targets in individual Workplanning and performance management.

Equal Opportunities Implications

12. The production of the workforce report is a useful starting point to monitor the impact of the Council's equalities and diversity practices. It is neither the complete picture nor the end of the Council's responsibilities, but a catalyst for future monitoring and action over an extended period.

Resource Implications

13. Activity would be within existing and planned resources for 2005-06.

Consultation

14. This report will be shared with the BME Consultation Group and the constituent Trade Unions, and ongoing discussions will continue on action planning as highlighted above

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
SAP records, ODPM summary of BVPI data, Employers Organisation report April 2005	PMS	Jill Seymour 0207 525 7066

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Audit Trail

Lead Officer	Bernard Nawrat – Head of Human Resources	
Report Author	Jill Seymour – Corporate Personnel	
Version	1	
Dated		
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
<i>Officer Title</i>	Comments Sought	Comments included
Borough Solicitor & Secretary		
Chief Finance Officer		
Executive Member		
Date final report sent to Constitutional Support Services		