

Item No. 13.	Classification: Open	Date: 19 October 2021	Meeting Name: Cabinet
Report title:		Annual Workforce Report 2020–21 and Workforce Equality, Diversity & Inclusion Action Plan	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Rebecca Lury, Finance, Performance and Democracy	

FOREWORD - COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE, PERFORMANCE AND DEMOCRACY

For the second year, this report comes in the face of unparalleled challenge for our workforce during the Covid-19 pandemic. The period of the report is 1 April 2020 – 31 July 2021.

I want to give my thanks to all employees for their hard work in continuing to serve our community in difficult circumstances.

The council has long been committed to achieving a workforce that reflects the community of Southwark, and has made year on year progress to achieving that aim.

We are slowly recovering from the pandemic and adjusting towards business as usual. We are proud of what Southwark council has achieved, particularly our contribution to helping residents and communities through one of the most testing times in recent memory.

Whilst the pandemic continues and we try to return to a new normal, there is much planned to improve workforce equality, diversity and inclusion.

The Annual Workforce Report provides an update on key aspects of our progress, including information on the make-up of our workforce and our recruitment, training, pay and Southwark Stands Together.

With Southwark Stands Together alone we have increased the number of Black, Asian and minority ethnic colleagues at the senior management level from 22% to 26% since 1 April 2020 despite the challenges of the pandemic; we are reviewing our recruitment practices; we have stopped using the term 'BAME' in our workforce; we are on track to deliver 100 internships to local people in the Council, with 82% identifying as Black, Asian and minority ethnic.

This report shows the diversity of our workforce of over 4,000 staff, with our work to support our parental workforce and the support we provide to those at all stages of their careers, across all age groups.

We will be looking to continue to provide support to our whole workforce over the year ahead.

RECOMMENDATIONS

1. That the Cabinet notes the Annual Workforce Report attached as Appendix 1, including the Protected Characteristics and Workforce Profile (Section 1), General Workforce Data (Section 2), Pay Gap reports (Section 3) and the Equality, Diversity and Inclusion (EDI) Action plan (Section 4) and this covering report.
2. Cabinet notes that officers will continue to develop and deliver the council's Equality, Diversity and Inclusion action plan including the recommendations under Southwark Stands Together – Workforce Work stream to improve EDI across our workforce.

BACKGROUND INFORMATION

3. This year the Annual Workforce Report (Appendix 1) has been redesigned to provide clarity to the reader on the council's legal duties and our commitment to go over and above our legal obligations to improve EDI across our workforce. The new format has designated sections such as:
 - Section 1 - Our legal duty to report on the Public Sector Equality Duty for the Protected Characteristics
 - Section 2 – the General Workforce data as part of our commitment to be transparent and open
 - Section 3 - Pay Gap Reports on Gender, Ethnicity and Disability
 - Section 4 - Equality, Diversity and Inclusion Action Plan and next steps.
4. We are proud to have taken bold steps through our Southwark Stands Together (SST) programme to address organisational challenges to tackle racial inequality in the council. In doing so, we understand that it is imperative that we demonstrate that commitment by addressing under-representation of Black, Asian and Minority Ethnic staff at all level in the council. This is particularly important since international and national research states that client's, customers and residents benefit from enhanced service provision if they are provided from diverse teams that reflect their own communities. Therefore, diversity is essential for good service provision, as well as a legal and moral duty to ensure that Southwark council reflects the local community we serve.
5. At the point of reporting this to Cabinet, the council has seen the extreme inequalities identified by the international Covid-19 pandemic and the momentum of the Black Lives Matters movement across the world. These

two issues have together illuminated the inequalities within British society, within our Southwark community and Southwark council as an employer. Through the work of the SST Programme (which was first presented to Cabinet on 20 October 2020), we have been working collaboratively with our staff and key stakeholder to address the inequalities within Southwark councils workforce. This report outlines the work we have been doing to deliver key projects, initiatives and activities implemented during the period 1 April 2020 – 31 July 2021.

KEY ISSUES FOR CONSIDERATION

6. Over the last year, the council has progressed significantly in addressing areas of inequality within the workforce and taken very specific action with regards to race and ethnicity as part of the SST Programme within the Workforce Work stream.
7. Key areas of activity and achievement for 20-21 have been in:
 - a) The implementation of the SST Programme - Workforce Work stream which has been working to address racial inequality. We made a commitment to amplify the voices of our staff from Black, Asian and minority ethnic communities through our solutions based conversations designed to help draw out beliefs and perceptions from the workforce on area where they felt the council should focus on to affect real change. In these discussions, they shared their personal experiences and most importantly, what they wanted the council to address to improve their experience in the council. This information has formed the basis for key changes such as; improvement in recruitment practices, re-designing employment policies, improved learning and develop for staff and leaders on EDI and increased representation of Black, Asian and minority ethnic staff at senior management level (grade 14 and above).
 - b) Our commitment to continue funding of our Staff Networks to provide support for our key staff groups within the protected characteristics, providing dedicated events and support networks for employees. This has enabled us to bring different groups of employees together to develop our understanding and commitment to intersectionality and help foster a culture of cohesion and belonging.
 - c) The provision of a range of EDI events throughout the year, thus challenging discrimination and championing unity and inclusion for all protected characteristics including Southwark's first Race Inclusion Week and 'Career Conversations' to celebrate and amplify the voices of senior managers in under-represented groups.
 - d) Our re-accreditation of the Disability Confident status to support our employees with a disability and a range of events to understand disability and intersectionality with our other protected characteristics.

- e) Launch and implementation of key policies and guidance to support women in the workplace, Domestic Abuse and Menopause.
 - f) Implementation of the use of pronouns in email footers and the launch of the Transgender and Gender Identify Guidance for our colleagues from the LGBTQ+ community.
 - g) Comprehensive programme of support to working parents during the Covid-19 pandemic.
 - h) Our commitment to engage and involve our workforce in the development and production of key employment initiatives that affect them has been demonstrated by widening our engagement throughout the workforce through our Staff Networks and SST Champions who play an active role in shaping the direction of our EDI strategies, initiatives and action plans.
8. The initiatives undertaken in 2019-20 have been a good start to inform the EDI action plan for 2021. We have used our workforce data to help shape the action plan, so that we understand the areas of focus that a likely to achieve the greatest impact for our workforce.
9. The analysis of the current workforce data, the identification of significant underlying trends, has helped identify initiatives which is being developed with the co-operation and involvement of key stakeholders across the council to improve our approach to EDI.
10. In summary, our legal duty to report on the Public Sector Equality Duty for the Protected Characteristics has been met by the production of our Annual Workforce Report, specifically section one of the report. The key highlights/challenges areas for development are:
11. Our commitment to be transparent and share our data to help encourage our workforce and key stakeholders to address challenges in our workforce is demonstrated under section two of the Annual Workforce Report. The key issues from the general workforce data show:
- **Starters** - There were 533 (398 2020-21 financial year and 135 April to July 2021) people who started work with the council within the year. The number of staff recruited was less than the 513 new starters the previous year due to the impact of Covid-19. Those starting during this period have not resulted in any notable changes to the profile of the workforce in terms of sex, age, ethnic origin or disability (Key workforce data). 60 new starters were TUPE intake as part of the Parking Service moving into Southwark Council. A key area for development here is to develop and reshaping the Corporate and Departmental Induction programmes for all new starters as part of the Employee Experience Strategy and Recruitment Strategy, to ensure new starters are inducted as early as possible.

- **Leavers** - 415 (272 in financial year 2020-21 and 143 April to July 2021) staff left the organisation in the reporting period in comparison to 407 in 2019-20. The most common reason for leaving during the report period was resignation 64%. The key areas for development is the exit interview strategy
- **Recruitment** - During April 2020 to July 2021 the Council ran 583 recruitment projects which resulted in 13,895 people who pursued an application for employment with us. When reviewing sex and disability the success of people at the hired stage of the recruitment process are in line with the percentages of people who applied, i.e. female / male, not disabled / disabled. For ethnicity, the success of people at the shortlisting stage is in line with the percentages of people who applied, however this does not follow through to appointment. The areas for development her are to apply the full range of changes in recruitment practices as detailed in the Southwark Stands Together action plan including review the Recruitment and Selection policy and implement a council wide Recruitment Strategy.
- **Agency Workers** - Agency Workers currently account for approximately 12% of the workforce and we have seen an increase in agency usage due to the requirement for interim and specialist skills sets, seasonal work, greater requirement within Adults and Children's Social care. The key area for development will be the development of an Agency Strategy that will aim to reduce our reliance on agency workers and particularly in those areas with long tenure.
- **Learning and Development** - Learning and development opportunities for the workforce have continued in earnest despite the pandemic and the Council has provided a range of blended learning, in person (as we return gradually to workplaces) on online, through group webinars, individual e-learner training, in-house training using Teams and on-demand recording of sessions available via Microsoft Stream, which stores videos created within various Microsoft apps. We have continued to provide the Professional Qualifications Scheme, ILM, working to implement digital inclusion for our entire workforce and an enhanced equality of opportunity suit of courses in support of the Southwark Stands Together Workforce Work stream action plan. Key areas for development over the year ahead will be providing a clear L&D Programme from new starter to exit level, clearly tied Southwark's values and behaviours.
- **Sickness** - the average number of sick absence days per person is 6.04 days (12 months to July 2021), which is a decrease of 1.38 days per person since last year. This is lower than the average sickness across London boroughs of 8.6 days and public sector average of 8.8 days (LGA, 2020). The largest category for the grouped sickness absence reasons is 'stress/depression/anxiety/mental health' accounting for 28% of all absence (an increase of 2% from last year). Although this seems high the Health and Safety Executive, in 2019-20 reported stress,

depression or anxiety accounted for 51% of all work-related ill health cases. The areas of focus for the year ahead are to continue to promote and develop wellbeing and mental health support for all staff, the launch of the new Wellbeing Strategy and council wide sickness strategy is being developed in order to provide strong absence management with a holistic approach to wellbeing at work, which is particularly in the light of post pandemic and the return to the workplace.

- **Disciplinary Investigations and Outcomes** - It is usual within a Local Authority to have a very small percentage of staff who were subject to disciplinary investigation. In this reporting period, Southwark has had 1% of the workforce who have been subject to disciplinary proceedings. The majority of cases were men, in grades 1-9. All 6 dismissals this year were white men. It is essential that all disciplinary investigations are reviewed and monitored. The area of focus will be to complete a trend analysis to assess what interventions could be implemented to avoid repeat behaviour that leads to disciplinary action. By undertaking this analysis the Council would aim to identify the potential causes that could be addressed by undertaking training and development or where better managerial guidance and direction on any specific reoccurring themes could be implemented.

- **Capability** - Managing performance and sickness absence management is essential within a local authority. In the majority of cases most employees will never need to have their performance or sickness managed via the capability policy only 0.5% of the workforce did this reporting period. It should not be seen as solely punitive, it aims to encourage individual improvement and the raising of standards. This is supported as 65 % of those complaints were resolved with no requirement for further action as they were positively resolved. Of those cases that progressed more white employees were subject to capability proceedings than colleagues from black, Asian and other ethnic minority communities and most were in grades 1-9. The area of focus will be to complete a trend analysis to assess what interventions could be implemented to avoid repeat behaviour that leads to capability action.

- **Employee complaints** - There were 0.5% of the workforce who took out an employee complaint, of which the majority were resolved in stage 1 the informal part of the process. Of the very small number of complaints that progress (7 in total) there was a split between men and women, more complaints were made by employees who identified their ethnicity as black and more white employees complaints were upheld in comparison to black colleagues. It is important that we monitor the complaints received and undertake a 'deep dive' into the topics that underpin that complaint, review those areas where problems exist, identify potential solutions and take action to address the areas of concern.

- **Respect at Work Complaints** - 0.4 % of the workforce (19 complaints), have been raised complaints under the Respect at Work

procedure, related to perceptions/experiences of harassment or bullying in the workplace. 51% were female and 49% were male. 74% of RAW complaints were received from employees who identify as black or Asian and 21% were identified as white, 32% had a disability. Areas of focus for the year ahead will be ensuring the Southwark Council does not tolerate employees experiencing bullying or harassment in the workforce and under the Southwark Strands Together Workforce Work stream addresses areas of racial inequality or discrimination including a 'deep dive' into those who identified as disabled. Therefore, continued monitoring of this data to identify any trends is essential if we are to deliver our two newest equality values as a council.

12. All the data and trends that have been identified within Section 1: Protected Characteristics and Workforce profile and Section 2: General Workforce data has informed the key areas of focus the council will be taking to ensure that we deliver of our two new council values to:
 - always work to make Southwark more equal and just
 - stand against all forms of discrimination and racism.
13. This will be achieved by delivering the Equality, Diversity and Inclusion Action plan (Section 4) including our Southwark Stands Together – workforce work stream commitments.
14. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 place a mandatory requirement to report annually on our gender pay gap and publish the information. This demonstrates the difference in pay between the employee groups. We also use this methodology to produce an Ethnicity and Disability Pay Gap. In summary the key issues from the Pay Gap Reports shows:
 - **Gender Pay Gap** - The mean Gender pay gap: Southwark council has a mean gender pay gap of minus 5.99%, a slight decrease from minus 6.62% last year. This indicates that on average Southwark male employees are paid lower than Southwark female employees by approximately 5.99%. For every £10 a male employee is paid, females is paid £10.59. This is predominantly due to the larger number of male workers in lower paid roles within the waste and cleansing services. The narrowing of the gap is a positive trend towards parity.
 - **Ethnicity Pay Gap** – This is not a legal requirement but one conducted by the council for openness and transparency and informing the key E,D,I initiatives. The mean Ethnicity pay gap: Southwark council has a mean ethnicity pay gap of 14.68%. This indicates that on average, for every £10 a Black, Asian and Minority Ethnic employee earns, White employees earn £11.47, which is a small increase on last year.
 - **Disability Pay Gap** - This is not a legal requirement but one conducted by the council for openness and transparency to inform key E,D,I initiatives. The mean Disability pay gap: Southwark council has a

mean disability pay gap of 2.24%. This indicates that on average, for every £10 a non-disabled employee earns, a disabled employee earns £9.77.

15. All the data and trends that have been identified within the pay gap reporting has informed the key areas of focus will be used to develop a Pay Gap Strategy which will include the detailed next steps and actions listed in the Annual Workforce Report - Pay Gap Report Section 3.

Conclusion

16. We are delighted to present our Annual Workforce Report which demonstrates our continued commitment to being transparent on our workforce data. In doing so, we are proud to be an organisation that appreciates the need to go over and above our statutory responsibilities. We recognise we have come a long way in the last year to improve our work and dedication to E,D,I within Southwark. We recognise there is a lot more to do however we hope this report clearly explains what the issues are and how we are addressing them to do our very best for our residents, workforce, businesses, and wider communities we are proud to serve and ensure we deliver our council values for all.

Policy implications

17. All action points that require amendments to existing employment policies as part of the development of our new Employee Experience Strategy will be subject to the appropriate internal approval process.

Community, equalities (including socio-economic) and health impacts

18. The council will deliver our socio-economic responsibilities through a new employment opportunity pathway to open up the talent pipelines for a variety of functions and roles within the council, which includes focussing on work experience as well as internships, graduate training programmes and apprenticeships.
19. The Southwark Equality Framework replaces the Council's Approach to Equality and explains how the Council is working towards a Southwark that is tolerant, diverse and fair for all. It sets out what the public can expect from the Council, what the legislation requires of us and what the Council is committed to doing. It explains our approach to advance and promote equality of opportunity in the borough by making equality part of our day-to-day business – including how the Council will use equality analysis to generate insight and understand the effects of its decisions on different groups.
20. The Framework is a visible commitment to equality in Southwark and sets out how we will consider the impact our services, policies and decisions have on the protected characteristics (race, sex, disability, age, religion or belief, sexual orientation, pregnancy and maternity, gender reassignment

and marriage and civil partnership as well as socioeconomic status) into our processes.

21. The council intend to have a greater focus on our socio economic responsibilities in future Annual Workforce Reports.

Climate change implications

22. There is significant evidence of the link between climate change and inequality. While everyone is affected by climate change, the extent of that impact is not equal. As set out in the Council's Climate Change Strategy, climate change has the biggest impact on those who are poorer or have underlying health conditions. Black, Asian and Minority Ethnic residents are disproportionately affected. Social justice is central to the strategy including maximising the co-benefits of action and ensuring that climate change policy reduces inequality and promotes fairness.
23. The equality framework is one element of the council's work in tackling social inequality and injustice. The response to combat climate and tackling inequality and injustice through initiatives like the Equality Framework go hand in hand.

Resource implications

24. 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 the existing budget.

Legal implications

25. The Annual Workforce Survey attached at Appendix 1 of the report meets, and exceeds, the mandatory requirement for the Council to publish information demonstrating its compliance with the general duty to eliminate discrimination, advance equality and foster good relations in accordance with the Public Sector Equality Duty and to report annually on the gender pay gap under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Financial implications

26. There are no financial implications arising from this report.
27. Where the updates to the council's workforce strategy have financial implications, these will be managed within the existing agreed budgets for the council's general fund and housing revenue account.

Consultation

28. Consultation has been undertaken with the council's recognised Trades Unions, Staff Network Groups and the council's Equality and Diversity Officer.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

29. The report asks cabinet to note the contents of the appended Annual Workforce Report and the analysis of that as set out in the report. Cabinet are also asked to note that officers will develop the Council's Workforce Equality Plan in light of the recommendations as set out in the Southwark Stands Together Workforce Workstream and will continue to implement the Workforce Strategy.

Strategic Director of Finance and Governance

30. This report is requesting cabinet to note the Annual Workforce Report attached as Appendix 1, including the Protected Characteristics and Workforce Profile (Section 1), General Workforce Data (Section 2), Pay Gap reports (Section 3) and the Equality, Diversity and Inclusion (EDI) Action plan (Section 4) and this covering report).
31. This report is also requesting cabinet to note that officers will continue to develop and deliver the council's Equality, Diversity and Inclusion action plan including the recommendations under Southwark Stands Together – Workforce Work stream to improve EDI across our workforce.
32. The strategic director of finance and governance notes the financial implication and notes that there are no new immediate financial implications arising from this report.
33. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

Other officers

34. None

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Southwark Equality Framework	Communities 160 Tooley Street	Stephen.douglass@southwark.gov.uk
Link (copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s99894/Report%20Southwark		

Background Papers	Held At	Contact
%20Equality%20Framework.pdf		
Southwark Stands Together	Strategy & Economy 160 Tooley Street	Stephen.gaskill@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s99892/Southwark%20Stands%20Together%20Annual%20report.pdf		

APPENDICES

No.	Title
Appendix 1	Annual Workforce Report

AUDIT TRAIL

Cabinet Member	Councillor Rebecca Lury, Finance, Performance and Democracy	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Melanie Medley, Director of Employee Experience (Interim) (HR & OT)	
Version	Final version	
Dated	7 October 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 October 2021