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| Item No. 16. | Classification: Open | Date: 11 December 2018 | Meeting Name: Cabinet |
| Report title: | | Annual Workforce Report | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member: | | Councillor Stephanie Cryan, Housing Management and Modernisation | |

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION

In 2016 cabinet agreed a new workforce strategy to help staff in the way they work so that we can be the best employer that we can, and so that our workforce is equipped to deliver the council's priorities for the people of the borough.

Each year, we produce an annual workforce report which provides progress, statistical information on staff and employment activity and gender pay gap reporting. The annual workforce report shows that our workforce is broadly reflective of the local community. It also provides a strong indication of the success of our apprenticeship and management 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 residents in the future.

Equality and diversity continues to remain a strong focus within our workforce and the report highlights progress is slowly being made but that we need to continue to set further priorities for equalities and that we need to ensure that we support the aspirations of our staff.

We maintain a productive and motivated workforce and I am delighted to announce that we have once again achieved the Investors In People Gold award with three areas rated platinum. This award recognises the dedication and commitment of our workforce and the council as an employer and I want to thank everyone who has helped make this achievement possible despite ongoing and unprecedented cuts to budgets from central government.

This report shows we are committed to not just making Southwark a great place to live, but a great place to work too and to delivering on our fairer future commitments.

RECOMMENDATIONS

That the cabinet:

Notes the workforce report attached as appendix one and that this report:

1. Demonstrates 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 despite the level of savings that have been made due to reductions in central government funding;

2. Suggests a picture of a productive and well motivated staff with low levels of sickness, low levels of staff complaints and good rates of staff retention.
3. Suggests that the council is an attractive employer given the high numbers of applications that the council receives;
4. Reinforces our intention to refresh our workforce strategy to take account of our new Investors in People Gold status and highlights areas for us to focus our workforce equality plan on, with certain areas benefiting from new commitments and associated targets, for example career development and in-work progression with a particular focus on under-represented groups.

BACKGROUND INFORMATION

5. In November 2016 cabinet agreed a suite of strategies to help staff in the way they work and support the delivery of the council's priority outcomes. The Workforce Strategy helps us make sure that our people achieve their potential in order to be best equipped to deliver the council plan and it is now being refreshed to incorporate new council commitments.
6. The Equality Duty 2010 is supported by specific duties which require public bodies to publish relevant, proportionate information annually demonstrating compliance. 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 and includes reporting requirements to publish gender pay gap data.
 - recruitment and retention rates;
 - learning and development opportunities;
 - grievances and disciplinary issues for staff with different protected characteristics.
7. Published information can also include plans to address equality concerns within the workforce, and information from staff surveys.
8. To meet our obligations, the council produces an annual workforce report which includes a range of Human Resources (HR) related data and is published on the council's website. This report highlights key findings and example initiatives from the workforce programme. The 2017-18 report is attached at Appendix 1.
9. Southwark's trade unions have been briefed on the workforce data and we will continue to work constructively with them on the development of the workforce equality plan.

KEY ISSUES FOR CONSIDERATION

10. The workforce strategy set out nine key employment related areas to support delivery of the council's fairer future promises:
 - New ways of working

- Recruitment and retention
- Management and leadership
- Learning and development
- HR and management policies
- Pay and reward
- Equality and diversity
- Job design and organisational structure
- Wellbeing and engagement

11. The sections below highlight some of the recent and forthcoming activity across the nine areas, illustrated with example data from the workforce report.

New ways of working

12. New technology is assisting us to modernise the way we work and we are piloting remote working, better digital skills and flexible working spaces in adult services, modernise and children's services to enhance collaborative working.
13. In January 2018, to further demonstrate our commitment to staff development, a new learning management system (LMS) was implemented to improve the learner experience, make accessing our learning offer easier and to better evaluate and report on our learning and development activities.
14. A digital skills framework and self-assessment tool has been developed to support digital literacy, particularly amongst the 30% who are not totally comfortable using new software and technology.

Recruitment and retention

15. Our strategy sets out the work we are doing to develop our employer brand so that we can continue to attract and retain high calibre staff, supported by effective recruitment and retention policies. Despite reductions in our workforce, it is as important as ever to improve our approach to workforce planning so that as the council and our services evolve we have the right staff with the right skills doing the right jobs.
16. The workforce has reduced from 4,150 at year end 2016-17 to 4,110 at year end 2017-18. Southwark has a similar sized workforce to boroughs such as Islington, Camden and Hackney who have similarly retained key services in-house rather than outsourcing. Despite having to make significant savings in 2017-18, the council has protected frontline staff from cuts where possible; in total, there was less than a 1% reduction in the core workforce.
17. Competition for posts is vital to ensure the council is able to appoint the best quality candidates; in 2017-18, the council received almost 4,700 applications, averaging over 15 applications for each opening, although there are significant variations with 21 jobs attracting more than 50 applications and 96 fewer than 5. Overall, it demonstrates that the council continues to be seen as an attractive employer, in spite of the recent cuts to local government.
18. The council prides itself on ensuring that all applications are treated equally. In terms of gender and disability, the percentage of hired candidates remains proportionate to the percentages of people who applied. We have made a lot of progress in making our job adverts more available to prospective disabled

applicants by having targeted advertising on platforms for disabled people and have successfully increased the percentage of hired disabled employees from 6% to 10% in the last year.

19. 44% of those successful in recruitment campaigns (either internally or externally) were from a black or minority ethnic (BME) background. However, there were a high number of recruits without a declared ethnicity (11%) making it difficult to determine the percentage ultimately hired from BME communities. This will be followed up with hired individuals as analysis relies on datasets across recruitment and payroll systems. Of new starters to Southwark, the slightly higher percentage of BME candidates (52%) mirrors our existing establishment.
20. 485 people started employment with the council during the year 2017-18. This number is much higher than the previous year when there were 269 new starters. Those starting work during 2017-18 have not made any noticeable changes to the profile of our workforce in terms of gender, age or ethnic origin. 54% of staff hired during the year were female, 52% were from BME communities and 6% classified themselves as having a disability.
21. Southwark has a council plan target to have 3% of the workforce as apprentices or first entry trainees. The total over 2017/18 was 111 apprentices and 35 trainees which equates to 3.6% of the workforce. This is a 0.4% increase from 2016-17. More than 93% of our apprentices complete their qualifications (against a national average of 40% completion rate) and 90% moved on to other roles within the council. 3.5% of our workforce are aged 16 to 24 years of age which is higher than the London average.
22. We have introduced a revised onboarding and induction approach, with access to a tailored website from the point of appointment and an improved induction checklist and guidance for managers. This will develop further in 2018-19.
23. Although agency workers are not employees of the council, they are an important part of our resourcing arrangement. There has been a decrease in the number of workers on assignment compared to last year. The 'snapshot' across 2017-18 shows that at the end of March 2018, 430 individuals (7.74% of the workforce) were agency staff.

Management and leadership

24. Our success as a good employer that delivers on promises to residents depends on the support, energy and professionalism of our managers and leaders. We need to ensure that managers and leaders have the knowledge, confidence and tools to support and develop staff and make fair decisions. We launched our Southwark Manager toolkit and learning programme this year to provide a consistent approach to being a manager at Southwark and a new manager induction is in development.
25. 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 it commenced in 2014, 375 managers have completed it and we have launched a new provision consisting of executive coaching and mentoring and strategic leadership and management.
26. We continue to take steps to support career progression into more senior roles, particularly for women and those from BME backgrounds who are

underrepresented at our more senior levels. We will be introducing a new approach to coaching and mentoring over the coming year and continue to work closely with groups such as the Women's Network who run a series of successful events and training focusing on e.g. career boosting. The Women's Network has run two phases of internal mentoring for women to promote development.

27. A cross-council working group designed the member induction for delivery from May to July 2018, taking into account feedback from members about their requirements.

Learning and development:

28. Southwark is very committed to supporting the development of its workforce in line with the Fairer Future principles. In learning and development, this means a strong emphasis on providing a variety of flexible and accessible learning opportunities for all of our staff to enable better performance and progression; we will shortly be introducing our new career development portal to support in-work progression.
29. Investors in People (IiP) awarded Southwark Gold status in August 2015, as recognition of our investment in staff development. In October 2018, we were reassessed for IiP against a new and more demanding standard, which requires input from staff across the council and tests our organisational performance alongside our people development and management practices. 57% of our staff responded to a council wide survey and 135 staff were interviewed. While we are waiting for the full report to be released, it has been confirmed that we have again achieved Gold status. Initial indications are that we have improved as an organisation against a number of indicators. Our assessor reflected that there was a strong 'one council' ethos and clear evidence of working across team, divisional and departmental boundaries to deliver outcomes for our residents.
30. There has been provision of a comprehensive set of learning programmes with a total of 494 training sessions delivered and 2,740 members of staff attending these sessions across the workforce in 2017-18. Southwark is one of the last boroughs to continue its investment in a professional qualification scheme to support staff progression, and has a council-wide programme which is monitored to ensure that a representative proportion of our workforce are accessing development opportunities.
31. The proportion of those attending the recorded learning courses is broadly in line with the profile of our workforce in terms of ethnicity although fewer male staff attended training compared to female staff. The numbers of staff with disabilities taking up these courses is lower than expected, although data is not held on disability type to allow more sophisticated analysis. Lower attendance by certain groups will be addressed through a number of mechanisms e.g. learning plans, targeted awareness raising and development of strategies that encourage learning and development take-up.

HR and management policies

32. We want to ensure that our HR and management policies and procedures add value and improve our management practices. Management and trade unions are working together to review and modernise our suite of employee relations policies.

33. The workforce report shows a relatively low number of disciplinary investigations and actions across the workforce and there are low numbers of staff complaints. The number of staff subject to disciplinary or capability actions are few and equate to less than 1% of the workforce although they can be time consuming to manage. We focus in particular on hotspots although the relatively low numbers overall may be considered as an indicator that the council has robust and compliant processes in place and that the vast majority of staff have engaged positively with these.
34. Cases are regularly reviewed to identify themes and patterns which may inform improvements to our practice and policies.

Pay and reward

35. Our most valued resource is our staff and we want ensure that the rewards of working for Southwark are attractive, modern, and relevant to the aspirations of our workforce. Organisational values are clear and in our last survey, 89% of staff said they understand how their work contributes to the success of the organisation.
36. The London Living Wage is in place and maintained across the entire workforce. Staff benefits including season ticket loans, bike scheme, free gym and swim and support for childcare continue to be available. 85% of staff are in the pension scheme.
37. Our performance appraisal scheme allows incremental progression for those staff achieving against their performance plan (until they reach the maximum point of their grade). This is expected to be more challenging for employees as they progress through the grade as the scheme does not allow higher payment year after year for substantially the same outcomes, instead encouraging managers and employees to work together so that continual improvement can be achieved.
38. In 2018, 68% of the workforce was eligible for an increment. 54% of employees received an increment which is lower than the previous year but similar to the previous two years.
39. Our workforce strategy identified a need for greater behavioural based performance management, which was also endorsed by our 2015 liP inspection. 500 staff contributed to the development of a Southwark Ways of Working behaviours framework which articulates our fairer future values; we started to introduce the framework this year and are working with trade union colleagues to further develop and embed it, including support and training for managers on unconscious bias.
40. This is the second year of publishing gender pay gap data, which continues to show that the average pay for female staff is above the average pay for male staff. This is predominantly driven by the fact that we have a large in-house street cleaning service where roles are at the lower grades in our structure. The majority of that staff group is male.

Equality and diversity

41. We have developed a Workforce Equality Plan to help us meet our public sector equality duties with regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people. Our plan covers the protected characteristics set out in legislation as well as other

potential barriers such as educational attainment, literacy and numeracy and digital literacy. It sets out universal initiatives, i.e. frameworks, policies and guidance that are intended to support all staff, for example our approach to career development. These then provide a foundation for more targeted interventions which will be aimed specifically at staff from particular backgrounds (protected characteristics or target groups) with a view to meeting specific needs, minimising disadvantage and encouraging participation.

42. To complement this, we support and encourage self supporting staff groups. The Women's Network and spectrum autism staff groups are well established. The EMpower (BAME) network launched in September 2018 and the LGBTQ+ staff group is in the process of launching, with sponsors at chief officer level.
43. Our Top 100 managers have attended specialised training around the public sector equality duty to support them in managing their staff and designing and delivering services to our residents.
44. We continue to enhance our reputation for being a welcoming place for women and families. We have recently received the 'Employer with a Heart charter' from charity The Smallest Things for our introduction of a new premature birth policy to support women and families during this difficult time and we are also developing a package of support for parents returning to the workplace and women experiencing menopause.
45. Southwark is hugely proud of our diverse and vibrant local community and we want to reflect these at all levels within the council. It is important that the council reflects the diversity of Southwark. In terms of sex, 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. 45.8% of Southwark's residents belong to a Black and Minority Ethnic (BME) group and slightly more of our staff do at 49%.
46. There are greater differences in the sex breakdown when looking at a departmental level, for example Environment has a high percentage of male staff compared to the rest of the council in areas such as waste and cleansing and building services and our resourcing plan includes initiatives to attract and recruit more women, e.g. in cohorts.
47. The number of BME and female staff at JNC level (grade 14 and above) at year end 2017-18 has increased this year from 15.4% to 16.5% for staff from BME backgrounds and from 48.2% to 48.4% for female staff. These increases are positive, but we will look to introduce more initiatives for increasing the representation at senior levels in the organisation amongst staff from BME backgrounds in particular.
48. The number of staff declaring a disability (4.5%) has increased. Southwark has been a disability confident employer for the last nine years, recognising our commitment to employing and retaining staff with disabilities. In our recent staff survey, 10% declared a disability indicating that not all disabled staff have formally declared their disability.
49. The broad ethnic origin of staff leaving the council is balanced with 46% BME staff and 53% white staff leaving and broadly similar to the workforce.
50. Although the average age of our workforce is slightly lower than the London average at 45.7, around a quarter of our staff are over the age of 55, which is the

age at which staff are first able to access their pension, although there is no default retirement age. We are improving our support for staff preparing for retirement, including financial and pension planning as well as looking at succession planning.

Job design and organisational structure

- 51. We produce quarterly management information reports for managers to ensure a focus on staff demographics and workforce planning, including use of contingent workers, e.g. agency resources.
- 52. Our approach to designing structures incorporates a 'growing our own' model and has some tangible successes. It is well established within children's services, where the director, assistant director and heads of service were internal promotions; the new structure sets out clear career progression pathways from newly qualified social worker up and allows us to improve on succession planning.

Wellbeing and engagement

- 53. We want our staff to enjoy coming to work and to do a brilliant job. It is important to us to provide a working environment that is welcoming, supportive, empowering, professional and safe.
- 54. Southwark's staff have excellent engagement levels. Our 2017 staff survey notes that 71% of the Southwark workforce is defined as engaged, with 27% classified as partially engaged. Just 3% are disengaged. Our independent research company, BMG Research, tell us that Southwark Council staff are considerably more engaged than the public sector norm.
- 55. Results showed that there were no material differences in responses amongst different staff groups based on protected characteristics. The only discernable impact was that of building location.
- 56. The survey initially had low return rates from staff who completed paper copies and as a result, was re-run with a significantly improved completion rate. An action plan has been co-designed with those services to act on the findings.
- 57. A council-wide employee engagement approach has been implemented with a regular network for the Top 100 managers and monthly Fit for the Future briefing.
- 58. Sickness absence rates remained stable with an average of 6.47 days per employee. This continues to be lower than the average sickness rates across London boroughs, currently 7.96 days per employee. Of note, 56% of the workforce had no sickness absence during the year 2017-18. Changes have been made to our systems to improve data capture on the reasons for sickness absence and allow us to better target health interventions.
- 59. The council formally holds the achievement level of the London Healthy Workplace Charter having provided 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. This work continues through the health and wellbeing steering group.
- 60. Occupational health data shows that in line with national trends, mental health conditions are the main reason for referral. Southwark has achieved accreditation allowing us to sign the Time to Change pledge, an ambitious campaign to end the

stigma and discrimination faced by people who experience mental health problems.

Policy implications

61. 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 equality impact statement

62. Analysis and ongoing evaluation of the equality impact is fundamental to the workforce strategy. Our workforce reporting provides information demonstrating compliance with the equality duty and considers how the strategy affects people who share different protected characteristics. The workforce report informs the strategy and assesses the impact upon:

- composition of the workforce
- pay equality issues; reporting on profile at different grades;
- recruitment and retention rates;
- learning and development opportunities;
- grievances and disciplinary issues for staff with different protected characteristics.

63. This analysis of the reporting information informs our workforce equality action plan which sets out our proposals to address equality concerns within the workforce.

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

Resource implications

65. 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 and Democracy

66. The report asks cabinet to note the contents of the appended Annual Workforce Report.

67. Cabinet are reminded of the general PSED Duty under section 149 of the Equality Act 2010 to have due regard to the need to:

- a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
- b. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
- c. Foster good relations between person who share a relevant protected characteristic and those who do not share it.

68. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
69. Cabinet are also reminded of the requirement, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, for public authorities to publish specified information relating to the gender pay gap in their organisation in addition to the existing requirements under the duty to annually publish proportionate equality information in respect of their workforce (Specific PSED Duty), to demonstrate their compliance with the general PSED Duty
70. In producing and publishing the annual workforce report as appended to this Report the council is meeting that Specific PSED Duty.
71. The PSED General Duty is a continuing one; the annual workforce report and the new 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

72. 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 the council's general fund and housing revenue account.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|--------------------------|----------------|----------------|
| None | | |

APPENDICES

| No. | Title |
|------------|--|
| Appendix 1 | Workforce Report 2017-18 (circulated separately) |

AUDIT TRAIL

| | | | |
|---|--|------------------------|--------------------------|
| Cabinet Member | Councillor Stephanie Cryan, Housing Management and Modernisation | | |
| Lead Officer | Michael Scorer, Strategic Director of Housing and Modernisation | | |
| Report Author | Julie Foy, Head of Human Resources | | |
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| Cabinet Member | | Yes | Yes |
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