

<p style="text-align: center;">Non-Executive Report of the:</p> <p style="text-align: center;"><b>Overview and Scrutiny Committee</b></p> <p style="text-align: center;">25<sup>th</sup> October 2017</p>	
<p><b>Report of:</b> Zena Cooke, Corporate Director Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Challenge session progress update – Improving disabled and ethnic minority staff representation at the senior management (LPO7+) level</b></p>	

<p><b>Originating Officer(s)</b></p>	<p>Heather Daley, Divisional Director HR and Transformation</p> <p>Anna Finch-Smith, Employee Relations and Policy Manager</p>
<p><b>Wards affected</b></p>	<p>All</p>

### Summary

This report follows up from the scrutiny challenge session on improving disabled and ethnic minority staff representation at the senior manager (LPO7+) level, which went to Overview and Scrutiny Committee (OSC) on 10 February 2016, and a subsequent report and action plan considered by OSC in September 2016. This report reviews the progress against the action plan.

### Recommendations:

The Overview and Scrutiny Committee is recommended to:

1. Note the updates in the report.

## 1. DETAILS OF REPORT

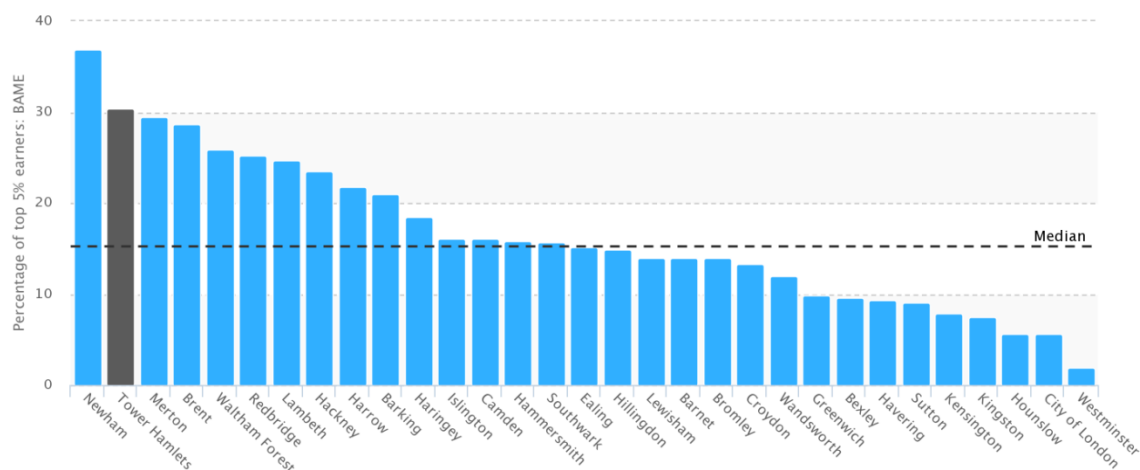
- 1.1 The challenge session took place on 10 February 2016. Overview and Scrutiny members identified a concern around the slow progress against the Council's commitment to have a senior management that is reflective of the local disabled and ethnic minority communities.
- 1.2 The focus of the challenge session was therefore to explore ways in which the Council could improve ethnic minority and disabled staff representation at the senior management level (LPO7+).
- 1.3 The objectives of the challenge session were to answer the following questions:
- Is there a perception of a glass ceiling for ethnic minority and disabled staff?
  - Are there any positive action schemes in place and if so, are they having an effect?
  - How do we manage talent within the Council?
- 1.4 Since the challenge session was held, the statistics around representation of ethnic minority and disabled staff at senior manager (LPO7+) level have changed. At the time of the challenge session, the figures were: -

<b>March 2016</b>				
	% of workforce	No. of workforce	% target	% of working age population of borough (2011 census)
BAME staff at LPO7+	26.96%	64.20 FTE	30%	49.3%
Disabled staff at LPO7+	8.65%	18.00 FTE	11.8%	11.8%

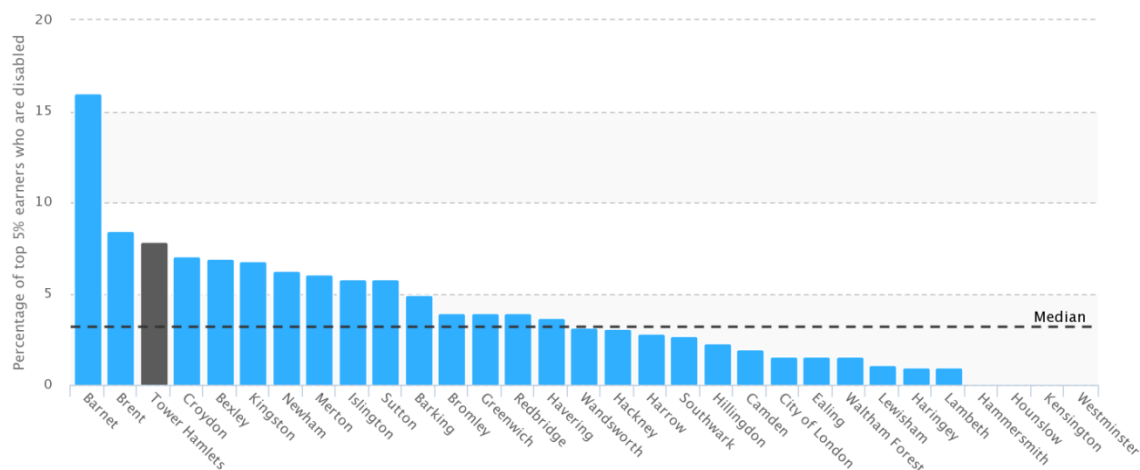
- 1.5 The latest figures are: -

<b>September 2017</b>				
	% of workforce	No. of workforce	% target	% of working age population of borough (2011 census)
BAME staff at LPO7+	32.02%	73.05 FTE	N/A	49.3%
Disabled staff at LPO7+	6.49%	13.60 FTE	N/A	11.8%

- 1.6 There has been an increase in the percentage of staff disclosing an ethnic minority at LPO7+ from 26.96% to 32.02% since the challenge session; and this exceeds the 30% target set as part of the Workforce to Reflect the Community Strategy. There are also 190 (4.12%) of staff who have not disclosed their ethnic minority status. Actions with regards to ethnicity have been picked up in the Annual Workforce Equalities Report 2017/18 Action Plan and are referred to in the updates below.
- 1.7 There has been a reduction though in representation of staff disclosing a disability at LPO7+ from 8.65% to 6.49% since the last challenge session; and this is less than the 11.8% target set as part of the Workforce to Reflect the Community Strategy. There are also 733 (15.87%) of staff who have not disclosed if they have a disability or not. Actions with regards to disability have been picked up in the Annual Workforce Equalities Report 2017/18 Action Plan and are referred to in the updates below.
- 1.8 It is important to note that relatively small changes in workforce numbers can have a significant impact on the percentages given the relatively small number of staff at LPO7+ (which was 238.13 FTE) in March 2016 and 228.13 FTE in September 2017). There are currently 73.05 FTE BME staff at LPO7+ and 13.60 FTE disabled staff at LPO7+.
- 1.9 The Council no longer has a Workforce to Reflect the Community Strategy or workforce diversity targets. The focus is now on ensuring that the Council has a workforce to serve the community. Although targets have been removed, there is still monitoring to keep under review performance in relation to protected characteristics.
- 1.10 Instead of targets, the Council's aim is to be in the top quartile of London Councils for each of the protected groups, which includes the top 5% of earners from an ethnic minority and who are disabled.
- 1.11 The latest information available through London Councils shows, with regards to top 5% earners from an ethnic minority background:-



- 1.12 Tower Hamlets is second highest authority in London and in the top quartile with regards to top 5% of earners from an ethnic minority background.
- 1.13 The latest information available through London Councils shows, with regards to top 5% earners with a disability:-



- 1.14 Tower Hamlets is the third highest authority in London and in the top quartile with regards to top 5% of earners with a disability.
- 1.15 Through compiling the Annual Workforce Equality Report, we identify any areas of under or over representation against any of the protected characteristics in a wide range of areas of employment, including new starters, leavers, recruitment etc, and also by salary range.
- 1.16 It is within this context that diversity within the workforce is now managed.
- 1.17 The original report made six recommendations which were agreed by OSC. The body of this report outlines the progress against these recommendations. The original report with recommendations and the action plan which accompanies the report are attached as **Appendix 1** and **Appendix 2**.
- 1.18 **Recommendation 1:** The Council should adopt a new talent management process for all staff to replace Navigate and actively promote the scheme to ethnic minority and disabled staff through all available communication channels.
- 1.19 Service comment at action planning stage - 06 September 2016: This action is already in the Workforce Strategy and is scheduled for 2018/19. We will promote the talent management scheme which will aim to develop the most talented individuals within the Council. We will promote this to all employees with particular publicity to encourage interest from ethnic minority and disabled staff. The service drew up two actions to support the implementation of this recommendation as follows:

- Implement a talent management programme, in partnership with other boroughs, to develop the attributes of a 21<sup>st</sup> century public sector worker. This will include targeted elements of staff engagement based on best practice to actively promote the scheme to ethnic minority and disabled staff.
  - Regular engagement and publicity through staff forums
- 1.20 Update from service – 25 October 2017: An updated HR Strategy is being developed which puts continuous performance improvement and the relationship between managers and employees at the heart of day to day relationships. The identification and nurturing of talent is therefore cross-cutting across the HR strategy and a factor that needs to be addressed in all employment policies (the guiding principles); provisions (terms and conditions) and procedures (sets to be taken). Given this, there is no specific programme but rather talent management will be embedded across the board. As agreed, when the strategy is introduced, it will be promoted to all employees, with particular publicity (for example, through staff network groups representing disabled and ethnic minority staff) to ensure ethnic minority and disabled staff are aware of the opportunities to develop their talent.
- 1.21 **Recommendation 2:** The Council to ensure that all HR schemes and policies to improve ethnic minority and disabled staff representation at the senior manager level include clear objectives and intended results. These need to be communicated to all staff. Additionally, the impact of any implemented scheme and policy will need to be monitored.
- 1.22 Service comment at action planning stage – 06 September 2016: Agreed. The annual equalities report will identify any areas of inequality within the workforce and identify mitigating actions, where appropriate. Where HR schemes or policies are agreed in relation to this area, the recommendation will be enforced. One action was drawn up by the service to implement this recommendation:
- Annual equalities report presented to CMT, setting out objectives, with results publicised to staff
- 1.23 Update from service – 25 October 2017: This years report identified the following issues and actions that could have an impact on the representation of ethnic minority and disabled staff at the senior level of the organisation: -

Issue	Action(s)
<b>Ethnicity</b>	
Mentoring scheme - Mentorwise	Continue to promote and encourage BAME take up
Staff network group	Promotion of staff network group for ethnic minority staff; and senior stakeholder sponsorship for ethnic minority staff
Disparity in the ethnicity of applicants for posts, and also proportion of	Work with ENEI and LGA to look at different ways to attract a diverse

applicants applying for posts who are successful thereafter.	range of candidates Include summary of interview panel ethnicity in monitoring
Talent management	Development of the Leadership and Management Development offer – with a particular module or modules for (a) ethnic minority and (b) disabled staff.
<b>Disability</b>	
Continue to support the Time to Change Pledge to reduce stigma and end discrimination with regards to mental health	Hold events in relation to national and international mental health days for staff
Staff network group	Promotion of staff network group for disabled staff; and senior stakeholder sponsorship for ethnic minority staff
Continue to support the work of the Time to Change Employers Forum	Support work stream 2 – ‘Make best use of resources and best practice based on case studies that can be shared with local employers’
The relationship between disability and sickness	Pick up as part of the Wellbeing Review
Reasonable adjustments	Review current arrangements for putting reasonable adjustments in place
Increase levels of staff declaration around disability	Write out to staff explaining why we gather the information, what we do with it and encourage staff to declare
Talent management	Development of the Leadership and Management Development offer – with a particular module or modules for disabled staff.

- 1.24 The actions above are ongoing and progress will be reported in the next Annual Workforce Equalities Report, which having been produced based on the calendar year, will in future be produced based on the financial year. This means the next report will be produced in April/May 2018.
- 1.25 In addition, the Council has recently undertaken a pilot programme of the Outcomes Based Accountability (OBA) approach, which helps determine whether actions taken have had any impact and what return on investment has been achieved. This approach is being piloted with regards to sickness and wellbeing, so that any interventions introduced can be measured in terms of their success. This approach can in future be used to show the impact of any actions taken with regards to equality and diversity.
- 1.26 **Recommendation 3:** The Council should reinvigorate the BAME and disabled staff forums and ensure that they are fit for purpose, are representative, are

led by effective chairs and have senior champions whose roles are communicated clearly to all staff.

- 1.27 Service comment at action planning stage – 06 September 2016: Agreed. This will form part of a wider review of staff engagement, which is detailed in the Workforce Strategy for 2016/17. We will support and promote initiatives to encourage the forums to take a full and active role in staff engagement and relevant Council business. One action was drawn up by the service to implement this recommendation:
- Undertake a wider, full review of staff engagement systems and processes to ensure effective opportunities to consult and engage staff.
- 1.28 Update from the service – 25 October 2017: At present responsibility for the staff forums sit within the Strategy, Policy and Performance (SPP) service, however it is proposed on restructure of the HR and Transformation division that responsibility for them will move to HR and Transformation at which time they will be reinvigorated to ensure they are fit for purpose, representative and led by effective chairs and supported by senior sponsors. Work has already started to ensure there are senior champions for each of the groups and this will continue. In order to improve engagement across the board, engagement frameworks will be looked at in 2018/19.
- 1.29 **Recommendation 4:** The Council undergoes an organisational culture audit focusing on diversity and inclusion. Specific areas of focus should include line management practice; talent management processes; the effectiveness of current equality and diversity training and staff engagement.
- 1.30 Comment from service at action planning stage – 06 September 2016: Agreed. Discussions have taken place with the LGA and ENEI (Employers Network for Equality and Inclusion) to complete a joint audit in this area, for which LGA have indicated they may provide funding. This would be used as a pilot for other authorities to follow. One action was drawn up by the service to implement this recommendation:
- Progress discussions regarding the partnership audit approach, agreeing scope, desired outcomes, timescales and funding to complete the audit.
- 1.31 Update from the service – 25 October 2017: Due to changes in personnel at the external organisations involved in this action, there has been a delay to the work. The proposal is specifically to look at recruitment and how the process could be made more inclusive and reduce barriers to minority groups.
- 1.32 There have already been engagement pieces with staff that touch on the culture of the organisation, including an independent review of the industrial relations culture and an independent review of whistleblowing. In addition, there will be a staff survey undertaken in November this year as part of Investors in People and as part of the wellbeing review that has taken place, it has been agreed that a wellbeing audit involving all staff will also be undertaken.

- 1.33 The Council has just introduced new core values, which are part of the engagement work to change the culture of the organisation. The new values include Respect, which highlights the importance of equality and diversity in the borough and Council. The new core values are:-

Together  
Open  
Willing  
Excellent  
Respect

- 1.34 In addition, there is work taking place at present on what it means to be a manager in Tower Hamlets, and this is the Tower Manager project. The information gained from this engagement with staff will allow the organisation to define what we want our managers to be like in future and this will also help change the culture of the organisation.

- 1.35 **Recommendation 5:** The Council should roll out a survey for all staff to provide their views on career development and any barriers, if any, that are perceived. The survey should seek a representative response, including from BAME and disabled staff.

- 1.36 Comments from the service at action planning stage – 06 September 2016: Agreed. This will be included in the staff survey, which is an action identified in the Workforce Strategy for 2017/18. One action was drawn up by the service to implement this recommendation:

- Undertake a staff survey to identify areas of organisational strength and weakness

- 1.37 Update from service – 25 October 2017: As set out in the comments on recommendation 4, a staff survey will be conducted in November this year as part of the Investors in People work. The findings of this survey will then result in actions to address any areas as necessary.

- 1.38 **Recommendation 6:** The Council's HR service to provide a detailed action plan on how they will address any concerns raised through the survey with regular performance monitoring reports provided to the Tower Hamlets Equality Steering Group (THESG).

- 1.39 Comments from the service at action planning stage – 06 September 2016: Agreed. This will be undertaken following analysis of recommendation 5 and will be monitored as appropriate. The promotion of a detailed action plan is likely to require ownership across the organisation. HR will develop this plan with a view to agreement by CMT following discussion with THESG. Two actions were drawn up by the service to implement this recommendation:

- Outcome of the Staff Survey report produced and reported to the Equalities Steering Group
- Outcome of the Staff Survey report produced and reported to the Corporate Management Team, with recommended actions



- 1.40 Update from service – 25 October 2017: This action follows on from recommendation 5 above and as said there, the findings of this survey will then result in actions to address any areas as necessary. This will include picking up any actions in the next Annual Workforce Equalities Action Plan.
- 1.41 A number of the actions resulting from the recommendations are for future action but the approach that will be taken is set out above. The general approach in terms of identifying any equality and diversity issues within the workforce, and then setting out actions to address these, is driven by the Annual Workforce Equality Monitoring Report. This allows an evidence driven approach, which compares the Council's performance against other London boroughs and against the working age population of the borough's population.
- 1.42 The focus of the Council's approach to workforce equality and diversity is to ensure that we have a workforce that can best serve the community. Our target now is to be in the top quartile of London boroughs and this information is regularly monitored. We seek to embed equality and diversity in everything we do and this can be evidenced by, for example the requirement for equality analysis with regards to service reviews and policies and procedures.
- 1.43 Representation of ethnic minority staff at LPO7+ has improved since the last challenge session whilst representation of disabled staff at LPO7+ has reduced, although the Council remains in the upper quartile compared to other London boroughs in terms of both, which means we are achieving the benchmark we have set ourselves. The actions set out above, along with other actions related to wellbeing, will continue to be implemented with the representation of ethnic minority and disabled staff at LPO7+ will continue to be monitored, along with all other protected characteristics, both at a senior level and within the workforce generally.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 Following a Scrutiny challenge session on 10 February 2016, this report provides an update on on improving disabled and ethnic minority staff representation at the senior manager (LPO7+) level.
- 4.2 It identifies actions to improve ethnic minority and disabled staff representation at the senior management level (LPO7+). These recommendations are expected to be delivered through existing budgets within HR and directorates. However, should additional resources be required to deliver the action plan, officers will be obliged to seek appropriate approval through the Council's financial approval process.

#### **5. LEGAL COMMENTS**

- 5.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area

or its inhabitants. The Committee may also make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions.

- 5.2 This report provides an update on the progress of the actions taken to increase BAME and disabled staff representation at LP07 and above.
- 5.3 The Equality Act 2010 (s.159) permits the Council to treat a person with an identified protected characteristic (in this case race and disability) more favourably in respect of recruitment and promotion opportunities provided that there is evidence that persons who share that characteristic suffer a disadvantage connected to that characteristic or that participation in an activity by persons with that characteristic is disproportionately low. The positive action permitted is that the Council can encourage or enable such persons to overcome or minimise the disadvantage suffered or to participate in the identified activity.
- 5.4 The Council can only go so far as to recruit or promote a person with that identified characteristic when there is no other difference between the candidates i.e. they have equal qualifications for the role and the only difference is the protected characteristic. The Council cannot have a policy that treats a person with that protected characteristic more favourably in respect of recruitment and promotion and the action proposed must be a proportionate means of achieving the aim referred to. Our aim is to increase the representation of BAME and disabled senior managers. To rely on the positive action provisions of the Equality Act to achieve these aims means that the Council should be able to demonstrate that such employees suffer a disadvantage connected to that identified characteristic and that the number of staff with those characteristics is disproportionately low. Once that imbalance has been addressed the Council will no longer be able to rely on the positive action provisions.
- 5.5 Where the proposed actions provide for developmental activities to improve the representation of BAME and disabled staff, the Council can only take positive action steps which encourage such staff to participate in these activities. The actions set out in this report are within the permissible range of positive action.
- 5.6 The Council must take care to ensure that policies and initiatives are implemented in a manner that remains within the permissible range of positive action under the Equality Act 2010 and not to interpret policies and guidance in such a way as to disadvantage those persons whom are not part of those initiatives and who do not share the targeted protected characteristic. Further advice should be sought in respect of any specific policies and initiatives which are created as a consequence of this action plan. The Council must also have regard to the Public Sector Equality Duty when implementing the proposed actions i.e. the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. A proportionate level of equality analysis

is required to discharge the duty and to ensure that the steps proposed remain necessary.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

6.1 Workforce diversity is an activity in the Council's Strategic Plan and Single Equality Framework. Having a workforce that is able to serve the community and deliver services that appropriate to local needs is a key priority for the Council.

## **7. BEST VALUE (BV) IMPLICATIONS**

7.1 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The activities and measures in this report will be monitored helping to fulfil this obligation.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

8.1 Not applicable.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1 Workforce diversity activities and milestones are found in the Council's Strategy Plan and Single Equality Framework. The Strategic Plan and Single Equality Framework provide a strategic framework for other strategies and plans. Risks relating to the achievement of its objectives are therefore monitored through the Council's corporate risk register and directorate risk registers. Risks are assessed for likelihood and impact, and have responsible owners and programmes of mitigating actions.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 Not applicable

---

### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1 – Update report 06 September 2016
- Appendix 2 – Action Plan 06 September 2016
- Appendix 3 – Scrutiny Challenge Session Report March 2016

**Local Government Act, 1972 Section 100D (As amended)**  
**List of “Background Papers” used in the preparation of this report**

- NONE

**Officer contact details for documents:**

- N/A