


Non-Executive Report of the: HR Committee 21 st January 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director of Resources	Classification: Unrestricted
Workforce Savings 2015/16 Equality Assessment	

Originating Officer(s)	Mark Keeble – Senior Business Partner (Project Lead)
Wards affected	All wards

Summary

This report provides a holistic assessment of the equalities impacts of the workforce changes that took place as a result of the council's savings programme during the period November 2014 and September 2015. The purpose of the assessment is to analyse the data from all of the individual impact assessments undertaken for each workforce related savings proposal that was implemented during this period.

The assessment was undertaken in line with the requirements of the Equality Act 2010, which places a legal requirement on the council to have 'due regard' to the Public Sector Equality Duty in all activities undertaken. The council is rated as 'excellent' against the Equality Framework for Local Government. To retain this rating, equality assessments must be undertaken to identify any adverse impacts, understand the cause of them and, where they occur, take action to reduce or remove the impact where it is reasonable to do so.

In conducting the assessment, there were no adverse impacts which could not be explained or justified after a detailed examination of workforce composition within specific age bands and the characteristics of staff in scope of specific savings.

The Committee is asked to:

1. Note the findings of the corporate equality assessment of the Workforce Savings 2015/16 which is attached at Appendix 1.
2. Note the actions arising from the equality assessment and further analysis included in this report

1. REASONS FOR THE DECISIONS

- 1.1 This is an information item and no decision is required.
- 1.2 The council will deliver approximately £11 million of savings through changes to the workforce to contribute towards the Medium Term Financial Plan

(MTFP) target of £28 million of savings required to achieve a balanced budget for 2015/16.

- 1.3 The savings implemented were approved by Cabinet in December 2014 following a period of public consultation on proposals where it was required. £7.5 million of savings were the result of the Service Challenge process through which services identified savings, the remaining £3.5 million of workforce savings were identified through the Employment Options (EO) Savings Programme. This programme was launched by the Head of Paid Service in July 2014 to support the delivery of workforce savings by providing staff an opportunity to inform the council if there were interested in voluntary redundancy, early retirement, flexible working and flexible retirement to minimise the risk of compulsory redundancies in 2015/16 and inform future workforce planning.
- 1.4 The workforce savings programme has reduced the council's establishment by approximately 300 posts. The Equality Act 2010 places a legal requirement on the council to have 'due regard' to the impact changes have on staff with any of the protected characteristics listed under the Act and this has necessitated a full Equalities Impact Assessment of the programme.

2. ALTERNATIVE OPTIONS

- 2.1 This report provides an analysis and updates on actions taken by Officers in line with the matters delegated to them under the council's Constitution.
- 2.2 Alternative options were considered at any earlier stage during the budget setting process for 2015/16. This included public and workforce consultation processes to seek feedback and explore alternative options. The budget setting process also involves Cabinet, Overview and Scrutiny and Full Council.

3. PROCESS FOR CARRYING OUT ASSESSMENT

- 3.1 Workforce changes were assessed in a number of different ways and in three main stages as outlined below.
- 3.2 Initially, each individual savings proposal was equality assessed as part of the Service Challenge process. Any that impacted on members of the public were subject to a public consultation and all those that impacted on staff were required to have an equality assessment of the staffing implications provided to employees and Trade Unions as part of the formal consultation process. These identified the implications within each individual restructure in line with the guidance issued to managers. Managers were required to identify any adverse impacts arising from the proposal and identify ways to mitigate any negative impacts on the workforce.
- 3.3 An initial equalities assessment was undertaken at the start of the Employment Options (EO) programme which included an analysis of the council's workforce against which decisions and future changes could be

benchmarked. A second assessment analysed EO requests from staff and the potential impact of People Board decisions on the composition of the workforce.

- 3.4 A final assessment has now been undertaken which provides a corporate analysis of the impact of the changes with regards to:
- The composition of the workforce before the first redundancies took place in December 2014 compared to the end of September 2015;
 - The profile of those staff leaving due to VR/ER; and,
 - An analysis of the equalities impact of job matching in restructures based on the assimilation criteria set out in the council's guidance for managers on organisational change.
- 3.5 It should be noted that approximately 90% of the restructures planned had been delivered by the end of September 2015. The results of the Equality Assessment attached as Appendix 1 is based on these.

4. **MAIN FINDINGS**

4.1 The findings of the Equality Assessment are analysed and set out in the following categories:

- Overall change in the council's workforce
- Profile of staff leaving on ER/VR
- Analysis of job matching/assimilation outcomes.

4.2 Table 1 below highlights data for the most significant impacts identified in the assessments. These impacts are explored in further detail below.

Table 1: EQIA Summary of impacts arising from Workforce Savings 15/16

Protected Characteristic	% of workforce			ER/VR Leavers		Job matching/Assimilation outcomes	
	Overall	under 55	over 55	No.	%	Competitive Assimilation	No Claim
Potential Adverse Impact on ER/VR Leavers							
White	42.4	36	65	88	56.1	40.6	63.9
Christian	35.1	32	48	70	44.6	36.7	45
Black	21.1	21	22	51	32.5	25	41
Potential Positive Impact on Workforce							
Bangladeshi	23.1	28	4	9	5.7	23.8	12.6
Muslim	24.6	30	5	14	8.9	27	14.4
Potential Adverse Impact on Job Matching/Assimilation							
Disability	4.9	4.3	6.8	7	4.5	6.3	3.6
Women	64.2	51.3	12.9	105	66.9	61.7	75.7

Notes on Table 1

70% of leavers are aged over 55 (110/157)

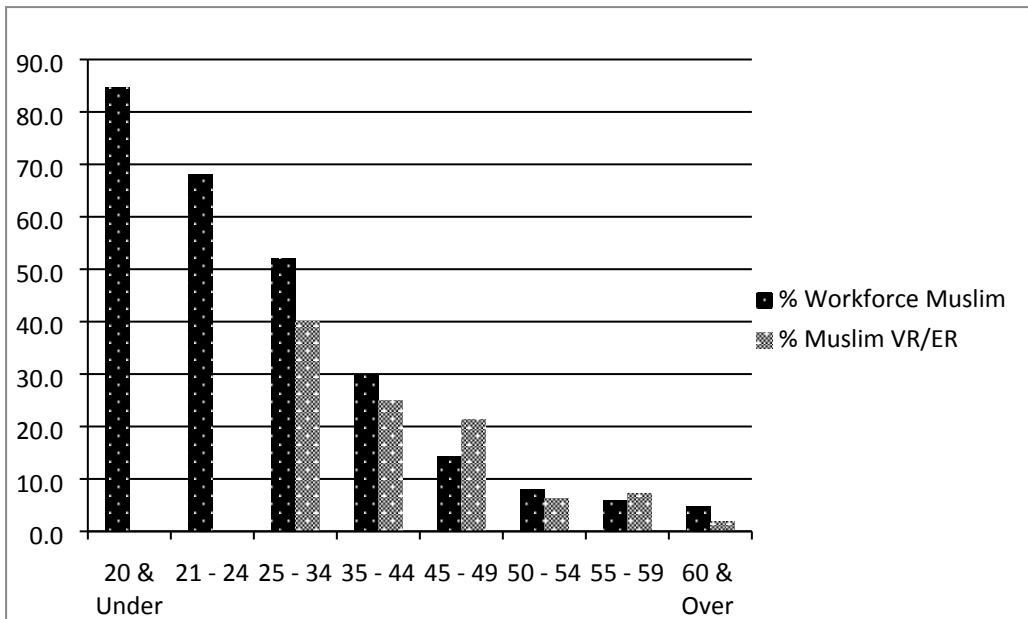
30 out of 51 Black staff are from Home Care (Home Care comprised 74 staff, of which 40 (53%) were Black)

Assimilations refer to outcome of Job Matching process included in the formal consultation with staff and Trade Unions. Competitive Assimilation means there are more staff matched to fewer jobs in the new structure. No Claim means an employee was not matched to any new post so would be considered for opportunities through ringfencing and redeployment.

4.3 Overall change in the council's workforce

- 4.3.1 There has been no significant change to the workforce between November 2014 and September 2015 with regards to age, gender or sexuality of employees. There have been small increases in the proportion of employees who are disabled, Muslim or Bangladeshi whilst the proportion of the workforce that is White or Christian has reduced slightly. With the exception of the increase in the percentage of disabled staff, these changes are mostly accounted for by marked change in the composition of the workforce above age 55 years.
- 4.3.2 The increase in the number of disabled staff from 5.2% to 6.2% is influenced by work to increase the number of staff providing equalities data. In November 2014 there were 225 employees who had declared a disability. This increased to 241 in September 2015. There was also a reduction in the number of employees declining to state whether they were disabled from 737 to 670 over the same period.
- 4.3.3 It should be noted that between the period November 2014 to September 2015 there was a total of 409 leavers including resignations and other dismissals as well VR/ER. Therefore the 157 employees that left on VR/ER are not the only changes to have taken place during this period but account for approximately 36% of those employees leaving the council's workforce. In addition, there were 276 new starters during this period which would also have had an impact on the overall composition of the workforce.
- 4.3.4 The age of the workforce has a direct relationship to the representation of employees of certain characteristics. VR/ER is a more attractive option for older workers because of their length of service which determines the value of their redundancy payments and the ability to access pension benefits from age 55. Tables 2 and 3 below show the higher representation of Muslim and Bangladeshi employees within younger age bands which explains why fewer employees from these groups opted for VR/ER and, therefore, why their overall representation in the workforce has increased slightly.
- 4.3.5 Other characteristics of workforce in relation to age bands are detailed in the analysis of those leaving on VR/ER below.

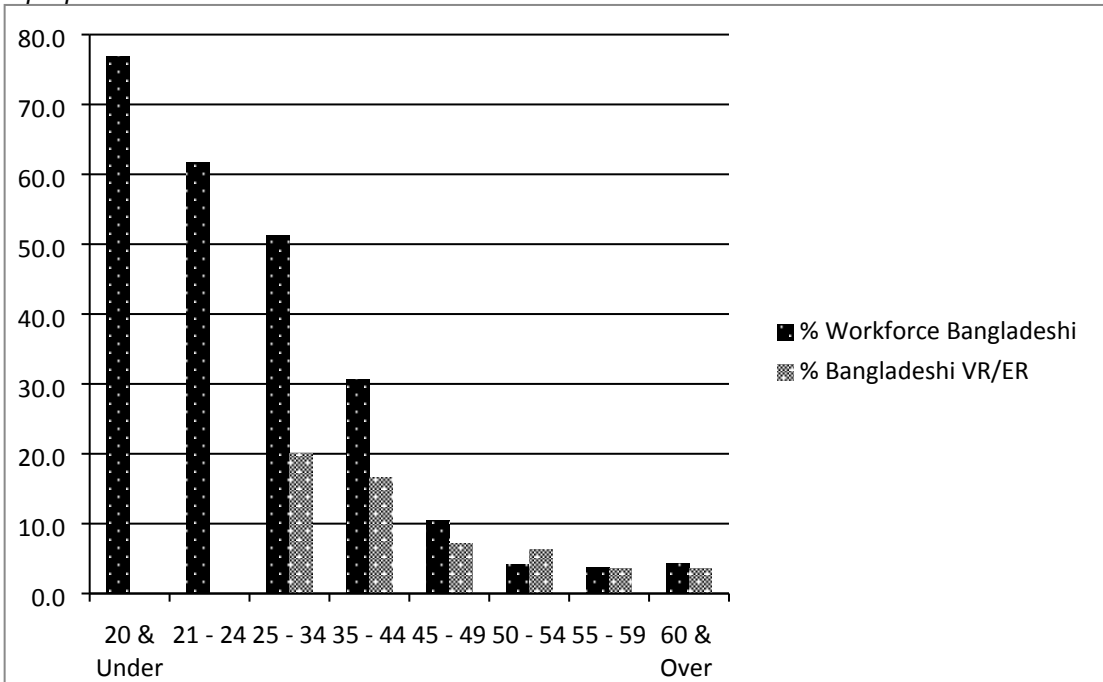
Table 2: *Profile of Muslim workers by age bands as a proportion of the workforce (Nov 2014) and of a proportion of ER/VR leavers*



Notes of Table 2

There are 13 employees (excluding apprentices and trainees) in the 20 and under age band, 11 of whom are Muslim. The remaining 2 declined to state their religion.

Table 3: Profile of Bangladeshi workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers



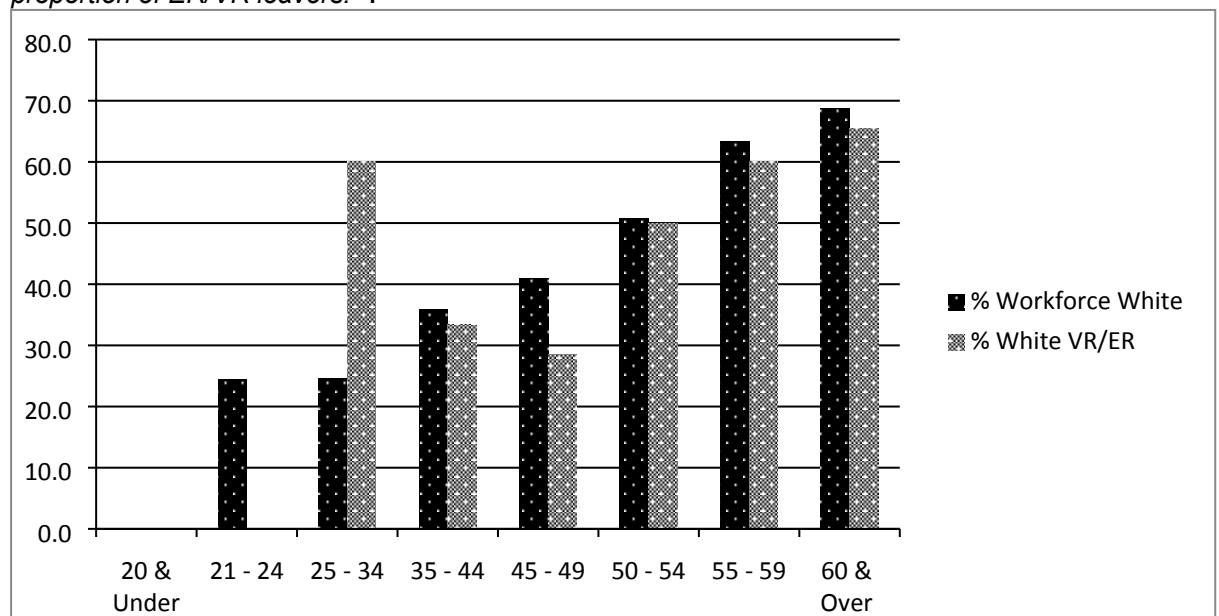
4.4 Profile of Staff Leaving on VR/ER

4.4.1 The proportion of staff that left on VR/ER who are aged over 55 was 70% compared to this group of staff making up 21.2% of the workforce in November 2014. This was a much greater proportion than expected, particularly when compared to the 39% of employees who were made redundant between 2010 and 2012 that were aged over 55 compared to 24%

of the workforce at that time. Those over 55 were more likely to apply for ER/VR due to the fact that they could access their pensions without actuarial reductions making it a far more attractive proposition than for those aged under 55.

4.4.2 There were also a high proportion of Christian, White and Black employees who left on VR/ER. The numbers of Christian and White employees leaving on VR/ER is due to their composition in the workforce aged over 55 being much higher than amongst younger age groups, 65% of employees aged over 55 are White compared to 36% under 55. This is shown in more detail in tables 4 and 5 below, and is in contrast to the age profile of Bangladeshi and Muslim workers set out above which is generally much younger and so explains the numbers of staff leaving on ER/VR from different groups.

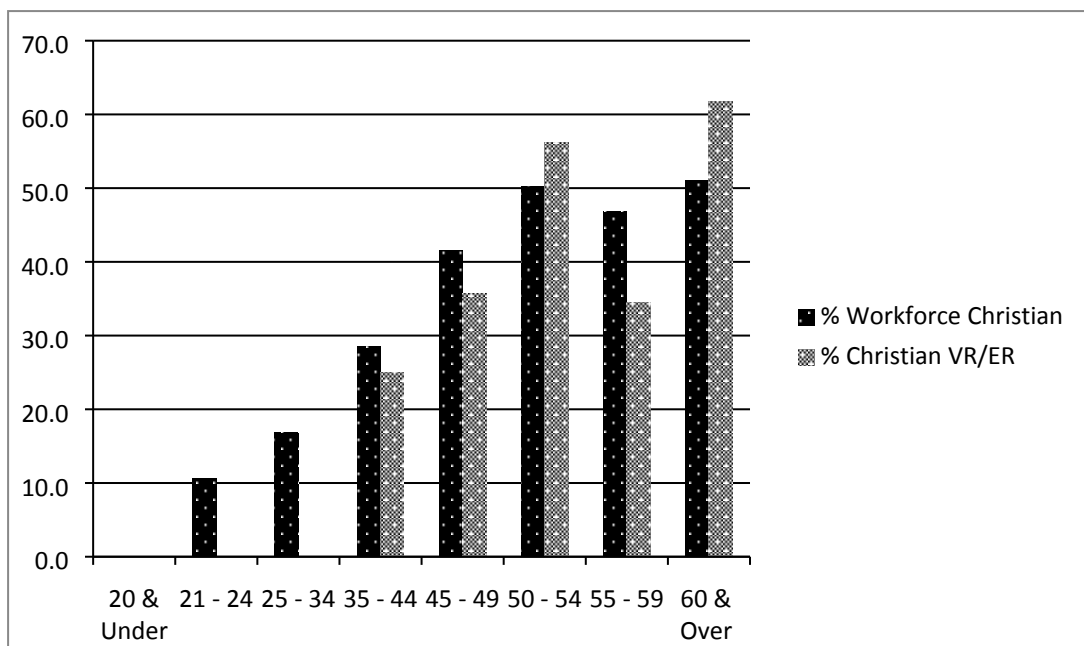
Table 4: Profile of white workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers.



4.4.3 Table 4 above shows a general trend of White employees leaving being in line with their representation within the age bands of the workforce. The 60% of white leavers shown for the age group 25-34 posts is disproportionate however it relates to 3 out of 5 staff within this age band that left on VR/ER so it is not considered to be statistically significant.

4.4.4 A disproportionate number of employees leaving on VR/ER were Christian (44.6% compared to 35.1% of the workforce). The number of Christian employees leaving on VR/ER is attributed to the composition of the workforce that is aged over 55 which has 48% of employees that are Christian compared to 32% under the age of 55. However, the percentage of the workforce aged over 55 that is Muslim is 5% compared to 30% under age 55. The profile of Christian employees within each age band is set out in Table 5 below.

Table 5: Profile of Christian workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers.

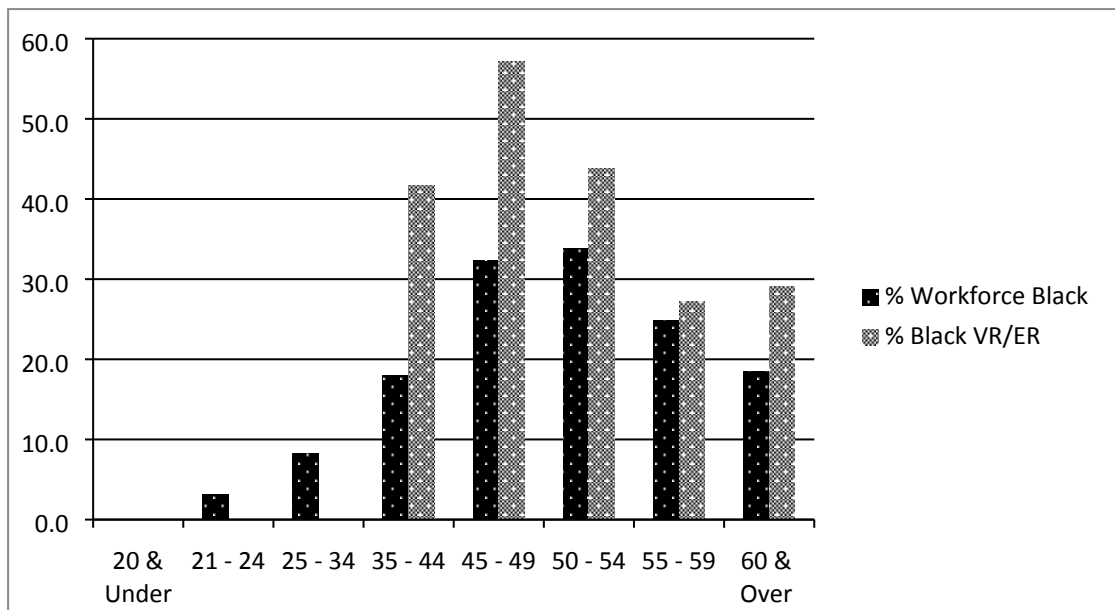


4.4.5 The assessment identified that a disproportionate number of employees leaving on VR/ER were White (56.1% compared to 42.4% of the workforce) and Black (32.5% compared to 21.1% of the workforce). As set out above, the number of White employees leaving on VR/ER is understandable considering the composition of the workforce that is aged over 55 which has 65% of employees that are White compared to 36% under the age of 55. However, the percentage of the workforce aged over 55 that is Black is 22% compared to 21% under age 55. The analysis of the Black staff that left on ER/VR shown in table 6 below confirms that a disproportionate number of staff left within each age group. Due to there being no direct relationship between the age of the workforce and the proportion of Black employees, a detailed analysis of staff in-scope of individual savings items was undertaken to account for the number of Black staff leaving.

4.4.6 This further analysis identified that 30 out of the 51 Black employees that left on VR/ER were previously employed in the In-house Home Care service which was closed to deliver a saving of £2 million. 20 of these employees were aged over 55. The disproportionate representation of Black workers amongst this group is therefore attributed to the large number of staff displaced from the closure of this service in which 53% were Black. This also accounts for why 41% of employees that had No Claim in the Job Matching were Black.

4.4.7 Therefore, the higher proportion of Black employees that left on VR/ER is due to the ethnicity of employees in the In-house Home Care service which was closed. In view of the significance of the closure of the Home Care service on the outcome of the assessment, the measures taken to reduce and where possible remove the potential adverse impacts is set out below in Section 5.

Table 6: Profile of Black workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers.



4.4.8 There were no negative effects on lesbian, gay or bi-sexual employees but the proportion of staff who left on ER/VR and who declined to state their sexuality was high (35.1% compared to 24.9% of the workforce) and comparable to the profile of those requesting ER/VR where 31.3% failed to declare.

4.5 **Analysis of Job Matching/Assimilation Outcomes**

4.5.1 The closure of the In-house Home Care Service also impacted on the Job Matching and Assimilation Outcomes that took place in line with the council's Handling Organisational Change Procedure. This resulted in Black employees and Women being overrepresented in the group of employees that had No Claim on a job in a new structure.

4.5.2 53% of employees in the Home Care service were Black. This also accounts for why 41% of employees that had No Claim in the Job Matching were Black. 30 of the 51 Black employees in this group requested VR/ER and have now left the council.

4.5.3 75.7% of women (84 out of 111) had an assimilation outcome of No Claim compared to 63.9% of the workforce who are Women. Further analysis of the data shows that 54 out of the 84 Women who had this outcome were previously employed in the In-house Home Care service. Of this group, 42 requested VR/ER and have now left the council.

4.5.4 An area of concern is the disproportionate number of Disabled employees in Competitive Assimilation pools (6.3% compared to 4.9% of the workforce). Detailed analysis shows that 14 out of the 16 employees in this group were from just three reviews which were amongst the largest undertaken to deliver 2015/16 savings. Assimilation is based on the outcome of a matching exercise based on the content of job descriptions. All employees with the same job descriptions were given the same assimilation outcome. However, no compulsory redundancies have taken place amongst this group of

employees and in most situations VR/ER requests were accepted which enable employees to be slotted directly into new jobs. There were no adverse impacts for Disabled staff as a result of the savings programme.

5 ACTIONS TAKEN: IN-HOUSE HOME CARE SERVICE CLOSURE

- 5.1 Given the importance of the Home Care Service in explaining potential adverse impacts for Black and female employees, details of how the restructure was managed are set out below. It should be noted the Home Care Service Closure was the biggest individual saving proposal and contributed a saving of £2 million towards the council's MTFP.
- 5.2 The Service comprised 74 workers and contained a large proportion of Women (56 which is 75.7%) and Black staff (40 which is 53%). Of the 74 workers, 49 left on ER/VR, and 21 others were successfully redeployed into alternative roles. 4 left by reason of compulsory redundancy, following failed trial periods or because they could not be redeployed to alternative roles due to very specific working requirements which could not be matched.
- 5.3 Supportive was offered to all Home Care staff regardless of whether they wished to remain in employment with the council or not. A very successful Jobs Fair day was organised for Home Carers with stalls for different directorates to showcase job opportunities, as well as HR being in attendance to set out what options were available for them and what support the council could provide them. For those wanting to leave TH and work elsewhere, a wide range of training opportunities was offered, including CV writing, job application and interview training, as well as NVQs at Level 1 and 2 for Maths, English and ICT. More practical skills training was also offered to improve their prospects in the external jobs market and HR worked alongside Skills Match and the DWP to establish how they could support these workers.
- 5.4 To further mitigate against the potential for compulsory redundancy, a number of measures were taken to support the employees in this service. For staff wanting to remain working for Tower Hamlets, attempts were made straight away to find alternative work ahead of them receiving their statutory notice of redundancy. This was initially put in place for Home Carers and was in addition to the normal Redeployment Procedure. Following discussions with Trade Unions, the Head of Paid Service agreed the approach should be adopted for other staff who might be at risk of compulsory redundancy in other restructures. This is now referred to as the Provisional Redeployment period.
- 5.5 A range of job opportunities within two grades up or down of the Home Carers grade were identified across all council Directorates and staff were asked to express their preferences for the roles. Job Shadowing opportunities were offered so that staff could try the jobs before putting themselves forward for them. Interview training was given to support staff applying for internal roles too. Additionally, 12 new roles of Service User Liaison Officers were created specifically to monitor the external Home Care providers some of whom had service users transferred to them during the service closure. These

opportunities were ring fenced to the displaced Home Carers initially and a number were redeployed into these roles.

- 5.6 Over 95% of the Home Care staff either left on voluntary terms or were redeployed into other roles. The approach adopted during this particular consultation process has set a standard and identified good practice on which Officers can build for any future similar reviews.

6. LESSONS LEARNED

A number of actions were identified following completion of the Workforce Savings 2015/16 Equality Assessment. The actions identified and progress on them to date is as follows:

- An internal review of a sample of 6 EQIAs has been undertaken by Corporate Strategy and Equalities Team with HR. The findings were that the HR guidance to managers was clear and didn't need to be amended. Four out of the six sampled were completed in line with the guidance but two were considered to not have provided sufficient analysis of the potential impacts on staff of different protected characteristics and any action that may have been required to address them. Actions that were required did take place so the improvement required is to ensure they are correctly documented. Managers will be reminded of the required standards when undertaking an EQIA and HR will work with managers to ensure these are completed correctly.
- The council will continue to monitor change in the composition of the workforce as part of the on-going HR&WD service and performance reporting process. Future changes to the council's workforce required to deliver the MTFP will also be assessed and monitored in line with the processes set out in Section 3 above.
- The actions taken in relation to the Home Care closure will be published as a case study as an example of good practice, to show what actions can be taken to minimise the impact of a service closure on staff. It will also help identify how similar situations should be managed in the future.
- The assessment has been shared with the Trade Unions to inform the on-going consultation process. The findings have also been presented to People Board and Tower Hamlets Equalities Steering Group (THESG). It will also be shared with Staff Equality Forums for discussion at future meetings.

7. COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1 This report provides HR Committee with information on the equalities impact on the council's workforce as a result of the staffing changes that have been made as part of the 2015/16 savings programme.
- 7.2 HR Committee are asked to note the findings detailed within the report. There are no direct financial implications arising from this report.

8. LEGAL COMMENTS

- 8.1 This is a noting report in respect of the findings of the corporate equality assessment of the Workforce Savings 2015/16 and the actions arising from the assessment.
- 8.2 The council's Workforce to Reflect the Community strategy identifies a number of target groups against which employment targets are measured. As part of the equality assessment going forward the council will need to review the current target groups to ensure that they remain valid and, if not, to consider revision to the target groups and the steps necessary to increase their representation within the workforce. The council will also need to review the policy itself to ensure that it remains necessary to take action to improve the workforce balance once targets are achieved.
- 8.3 When progressing the workforce savings programme, the council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristics and those who do not (the public sector duty). Any equality analysis should be proportionate to proposed projects and their potential impacts. This, as already identified in the report, will have particular relevance in areas where a majority or significant number of the workforce affected share a protected characteristic, such as the Home Care Service and should limit the risk of claims of indirect discrimination.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The report is exclusively about the equality impact assessment of the workforce savings programme. Therefore, any considerations are contained in the main body of the report.

10. BEST VALUE (BV) IMPLICATIONS

- 10.1 The equalities assessment was carried out in line with the council's statutory duty to have given due regard to equalities matters during the delivery of workforce changes needed to deliver the 2015/16 savings required in the Medium Term Financial Plan. The assessment has identified a high proportion (70%) of employees leaving between November 2014 and September 2015 due to VR/ER were over the age of 55 years. This will have additional financial costs due to the release of pension benefits and is significantly greater than the 39% of employees that left on VR/ER during previous large scale change during 2010 and 2012 who were aged over 55 years. However, the costs of VR/ER are within the sums allocated from reserves for this purpose.

11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 11.1 No implications identified.

12. RISK MANAGEMENT IMPLICATIONS

- 12.1 Risk Management were involved in the design phase of the planning process to deliver workforce savings. Key risks were identified and were subject to review at different stages of delivery by Internal Audit. Whilst the risk of claims from individual employees leaving on VR/ER is addressed through requiring them to sign a settlement agreement, the council still needs to be able to evidence that it has complied with the legal duty to have given due regard to related equalities matters. The equalities assessment undertaken will assist by providing evidence of this.

13. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 13.1 No implications identified
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Linked Reports, Appendices and Background Documents

Linked Reports

- Employment Options and Workforce Savings Update reports previously submitted to HR Committee on: 22 October 2014; 11 December 2014; 28 January 2015; and 25 March 2015, 1 July 2015.

Appendices

Appendix 1: Workforce Savings 2015/16 Equality Assessment

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:

- Not applicable.