

<b>Mayor and Cabinet</b>		
<b>Title</b>	Response to Safer Stronger Communities Select Committee on the Council's Employment Profile 2017/18	
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<b>Class</b>	Part 1 (open)	12 December 2018

## 1. Summary

- 1.1 On 12 July 2018, the Safer Stronger Communities Select Committee reviewed the Council's Employment Profile. The Committee were concerned as to why there was a fall between in the percentage of BAME applicants at interview stage who went on to be successfully offered a position. The Safer Stronger Communities Select Committee asked this to be referred to the Mayor and Cabinet for review.
- 1.2 This paper informs council that when reviewing the more definitive new joiners ethnicity declaration, that the more accurate profile for new appointments in 2017-2018 was 53.1% BAME and 40% non BAME and 6.9% undisclosed. This is a greater proportionate rate (6.5%) than Lewisham Borough's BAME profile from the 2011 census of 46.6%, and this compares favourably to other benchmarked London Boroughs. The paper also recommends further enhancements to the recruitment process to support the Council's approach and commitment to equality, diversity and inclusion.

## 2. Recommendations

- 2.1 To note that the actual employee data on new employees joining Lewisham Council in 2017-2018 from the joiners declaration of ethnicity is 53.1% BAME and 40% non BAME and 6.9% undisclosed. This is a greater proportionate rate (6.5%) than Lewisham Boroughs BAME profile from the 2011 census of 46.6%, and this compares favourably to other benchmarked London Boroughs.
- 2.2 To agree that the more accurate joiners' declaration of ethnicity is used in the future for the Employment Profile Report, rather than the declaration of ethnicity at the application stage, and the 2017-2018 Profile is amended to reflect this more accurate data.
- 2.3 To agree to further enhance our approach to equality and diversity by including the statement in all job adverts 'We welcome applications from all backgrounds'.
- 2.4 To note that the Council will be strengthening the recruitment and selection training offered to recruiting managers and include greater focus on unconscious bias to ensure best practice recruitment.

- 2.5 To note that the Council will launch next year a 'Leadership Development Program' to support council managers progressing through to senior levels. The selection for this program will stipulate that a fair proportionality of BAME employees are selected, to support equal opportunity of progression into the senior management level that they are underrepresented in. Also the HR Division will review the option of a mentoring program for senior BAME managers being made available.
- 2.6 Agree that this report should be forwarded to the Safer Stronger Communities Select Committee

### **3. Background**

- 3.1 On 12 July 2018, the Safer Stronger Communities Select Committee reviewed the Council's Employment Profile. The Committee noted that in 2017/18 35.07% of all applicants for jobs in the Council were white compared to 58.89% BME and 6.04% unknown. The numbers interviewed were 40.51% white, 49.03% BME and 10.46% unknown. The numbers who went on to be offered a position were 42.92% white, 40.9% BME and 16.18% unknown. The numbers who were finally hired were 41.95% white, 38.39% BME and 19.46% unknown. These figures are based on 4252 applications for 284 roles (paragraph 8.2 of committee report).
- 3.2 The Committee were concerned as to why;
- there was a fall between the number of BAME applicants at interview stage who went on to be successfully offered a position
  - and, a further fall in those who were successfully hired compared to the number of white candidates at interview stage who were successful in being offered a position and then successfully hired.
- 3.3 In order to respond to the Committee, the Council reviewed;
- Systems and Data Recording
  - Application to hire rate
  - benchmarking information against other London councils

#### *Systems and Data Recording*

- 3.4 During the financial year 2017/18, the Abacus recruitment system was used to input recruitment information such as vacancy details, interview dates, interview outcomes and ethnicity profiles. In order to ensure the information that was originally reported, was accurate, the figures were re-run in Abacus and the process for inputting data was reviewed in order to highlight any possible errors.
- 3.5 The 2017/18 recruitment statistics were produced from the Abacus system, which does not have automatic processes and relies heavily on manual manipulation of data to process applicants through the various recruitment stages. It was found that some of this manual updating into Abacus did not take place at the time the report was run from Abacus, and therefore unfortunately incorrect data was reported to Committee.
- 3.6 Upon checking the recruitment process it transpires that at the start of the recruitment process i.e. when a candidate applies for a job, an equalities monitoring form is

completed as part of the application form, although this information is not forwarded to shortlisting managers. However, some candidates are reluctant to disclose this personal information and only do so *once they are offered* the job. Candidates are asked again at point of offer to complete their protected characteristics' on a separate form which is input into the HR system (currently Resourcelink) At this point, the information divulged may differ to what was originally submitted during the recruitment process. Candidates often feel more comfortable disclosing personal information once they have a job offer rather than declaring at the application stage. Candidates are also given the option of "prefer not to state" if they do not wish to disclose their protected characteristics.

- 3.7 The first stage of the implementation of the new Oracle HR system went live in May 2018 with the recruitment module Taleo. From this point Abacus has been redundant and all further reporting will be done from this more accurate recruitment system going forward

*Application to Hire Rate*

- 3.8 As the data in the Employment Profile report (using data from the application process declaration form within the Abacus recruitment system) was found not to be accurate, with a large number of applicants recorded with undisclosed ethnicity, a report of new starters was run from the HR/Payroll system (which holds employees new starter ethnicity declaration). This showed that the actual percentage of BAME new starters during 2017/18 was 53.10% as opposed to the inaccurate number of hires from the recruitment system which was quoted as 38.39% and also included a large number of undisclosed of 19.46%.
- 3.9 Based on actual numbers of new starters identified from the more accurate new starter ethnicity declaration, the percentage of BAME candidates who applied and then started with the Council can be seen in the table below which shows that the percentage difference of BAME candidates from application stage through to new starter shows a drop off of only 5.7% which shows a much more favourable position than the inaccurate 19.46% reported wrongly in the Employment Profile

**PERCENTAGE CHANGE FROM APPLICATION TO HIRE**

	<b>Applications</b>	<b>%percentage</b>	<b>appointments</b>	<b>%percentage</b>	<b>%percentage points change</b>
<b>BAME</b>	2504	58.89%	146	53.10%	<b>-5.79%</b>
<b>White</b>	1491	35.07%	110	40.00%	<b>4.93%</b>
<b>undisclosed</b>	257	6.04%	19	6.90%	<b>0.86%</b>
<b>total</b>	4252	100.00%	275	100.00%	<b>0.00%</b>

Therefore the percentage of BAME new starters during 2017/18 was 53.10% which is higher than the BAME workforce as at 2017/18 which was 41.7% and also higher than the percentage of BAME residents in the Borough which is 46.6%. If only declared ethnicity is taken into account, then the breakdown of new appointments is 57% BAME and 43% white.

3.10 It is recommended for future analysis and reporting, including the Council's Employment Profile, that the more accurate new starters declaration of ethnicity is used going forward. Also that the Employment Profile for 2017-2018 will be amended accordingly to reflect the more accurate figures.

*Application to Hire Rate by Grade*

3.11 Of the 275 new starters (figure taken from payroll database as at 31.3.18) quoted;

- 146 of these (or 53.10% of new starters) were BAME
- 110 (40%) were white
- 19 (6.9%) did not disclose their ethnicity.

<b>Grade</b>	<b>BAME</b>	<b>White</b>	<b>Undisclosed</b>
Sc1-2	39	20	2
Sc3-5	12	8	3
Sc6-SO2	22	18	3
PO1-5	61	44	3
PO6-SMG3	11	19	0
Other(Soulbury)	1	1	8
	<b>146</b>	<b>110</b>	<b>19</b>

3.12 It should be noted the higher number of BAME appointees at the Sc1/2 grade are primarily due to a higher number of BAME apprentices than non BAME apprentices. The appointments at other grades are broadly similar, although there were more BAME than white appointments at grade PO1/5 and less BAME than white appointments at PO6/SMG3.

3.13 The issue of underrepresentation of BAME employees in senior leadership posts is apparent across most London Councils.

3.14 A 'Leadership Development Program' to support council managers progressing through to senior levels is planned to be launched next year. The selection for this program will stipulate that a fair proportionality of BAME employees are selected, to support equal opportunity of progression into the senior management level that they are underrepresented in. Also the HR Division will review the option of a mentoring program for senior BAME managers being made available.

## Benchmarking Against Other London Councils

3.15 For benchmarking purposes the table below shows published data from other London Boroughs highlighting the difference between application and hire percentages of BAME candidates.

Council	data source	Applicants BAME	Hired BAME	BAME Applied to Hired difference	Borough BAME Profile (2011 census)	Hired difference to Borough Profile
Lewisham	Emp profile 2017/18	58.89%	53.10%	-5.79%	46.9%	+6.2%
Haringey	<a href="#">Equality Scorecard Jun 2018</a>	61.10%	49.50%	-11.60%	39.5%	+10%
Hackney	<a href="#">Employment profile 2016/17</a>		44.00%		45.3%	-1.3%
Croydon	<a href="#">Employment profile 2016/17</a>	59.30%	46.23%	-13.07%	45%	+1.2%
Southwark	<a href="#">Annual workforce report 2016/17</a>	61.00%	42.00%	-19.00%	45.7%	-3.7%
Tower Hamlets	EQUALITIES Report 2017/18 (email)	69%	45.2%	-23.8%	54.8%	-9.6%
Brent	<a href="#">Employment profile 2016/17</a> *	69.60%	61.70%	-7.90%	63.6%	-1.9%

\* Figures from other councils in the table include undisclosed ethnicity in their overall calculation. The figure for Brent is only for disclosed.

## Continued Improvement

3.16 The Council is committed to equality, diversity and inclusion, and as such, will continue to monitor and enhance its approach to recruitment. The following areas of enhancement have been highlighted as part of this approach.

- Strengthen our advertising by including in all job adverts the statement “We welcome applicants from all backgrounds”
- Improve accuracy of reporting by using the ethnicity declared by employee on joining, to allow for more accurate analysis.
- That services monitor the representation of recruitment panels and testing arrangements to ensure adequate representation and that spot checks are carried out by the recruitment team on shortlisting.

- Strengthen our recruitment training for hiring managers to include a greater focus on unconscious bias.
- Provide enhanced development at a junior/middle management level, with a proportionate balance of BAME and non BAME, to support fair progression to more senior levels for everyone.

#### **4. Financial implications**

4.1 There are no financial implications arising out of this report.

#### **5. Legal implications**

5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

#### **6. Further implications**

6.1 At this stage there are no specific environmental, equalities or crime and disorder implications to consider.

#### **Background papers**

Safer Stronger Communities Select Committee agenda 12 July 2018: [link](https://www.lewisham.gov.uk/news/Documents/LewishamPovertyCommissionReportFinal.pdf)  
<https://www.lewisham.gov.uk/news/Documents/LewishamPovertyCommissionReportFinal.pdf>

If you have any questions about this report, please contact **Katie Wood, Scrutiny Manager** ([katie.wood@lewisham.gov.uk](mailto:katie.wood@lewisham.gov.uk))