

Report to:	Audit and Governance Committee	Date:	16 May 2019
Report title:	AG/2018/28 - HR Update		
Report from:	Richard Simpson, Strategic Director, Resources (Interim)		
Ward/Areas affected:	Not Applicable		
Chair of Committee/Lead Member:	Councillor Richard Clifton		
Author(s)/Contact Number(s):	Alison Hackett, Assistant Director People and Organisational Development (HR Shared Service) 0208 547 6329		
Corporate Plan Priorities:	<ul style="list-style-type: none"> ● Being Active ● Making Informed Choices ● Living Well Independently ● Keeping People Safe 		
Open/Exempt:	Open		
Signed:		Date:	01 May 2019

1. Summary

- 1.1 This report provides an overview of key HR workforce and health and safety related data, including analysis of that data and an overall direction of travel. It provides an update on a range of activities within HR and across the London Borough of Sutton (LBS) to address some of the challenges the data raises. This report follows the decision taken by Council, that the Audit and Governance Committee be appointed to encompass the functions currently carried out by the Audit Committee and the Standards Committee with additional responsibilities for HR matters.

2. Recommendations

The Audit and Governance Committee is recommended to:

- 2.1 Note the report.

3. Background

- 3.1 As per the renewed terms of reference for the Audit & Governance Committee, this paper provides an update and overview of key HR data and activity.

4. Issues

Executive Summary

- 4.1 The first part of this report provides an overview of key HR workforce related data and trends in relation to agency usage, apprenticeships, turnover, sickness absence and key diversity and inclusion information. The second part of the report provides an update and overview of health and safety performance and corporate priorities.
- 4.2 It is important to look at the data contained in this report over the longer term, rather than to focus too much on year-to-year fluctuations, overall the direction of travel is positive and a great deal of effort and time has been put into establishing a range of actions and activities to move this in the right direction.

Workforce summary

- 4.3 In the 6 months since the last report to committee, HR and management have worked to ensure that workforce trends are moving in the right direction. Since the last report we have published our gender pay gap, undertaken a range of TUPE's and undertaken focused work in relation to improving diversity and inclusion. Success has been mixed, with factors such as TUPE impacting on some figures. Trends identified in this report include:
- Our headcount has dropped significantly (by 600 FTE) since 2015 mainly due to TUPE of staff to Kingston shared services and the transfer of our waste contract to Veolia.
 - We have seen an increase in our turnover rates recently, due to the decrease in average headcount and an increase in the number of leavers particularly in Customer Experience & Libraries, Heritage and Arts.
 - Our sickness absence rates have decreased from 8.3 in March 2015 to 5.34 days in March 2019.
 - We have employed 37 new apprentices this year compared to 11 in 2017/18 and we are continuing to promote use of apprentices across the Council.
 - We have reduced the number of agency staff who have worked over 53 weeks by 20% in the last 6 months. HR Business Partners continue to review agency staff usage at DMTs to ensure that exit strategies are in place.
 - The percentage of BAME staff in the workforce has increased by over 4% since 2015 (currently at 21.5% and inline with 2011 Borough census figures). BAME staff earning over £50k has also increased significantly since 2015 (5.6% compared to 14.4%).

- Structural changes to the workforce have had an impact on our Gender Pay Gap which this year increased to 14.6% (this is the mean or 'average' figure which is the difference between the average of men's and women's hourly pay) from 5.4% in March 2017. Since March 2018, we have recruited a new female Chief Executive and the percentage of women in the upper pay quartile has increased by 3%, which should have a positive impact on next year's calculation. The Council has put in place a number of policies and actions to address diversity and inclusion in the workforce to ensure there are no barriers to progression including coaching and mentoring, review of data and monitoring and checking processes for bias.

Health and Safety summary

- 4.4 Health and Safety performance of directorates is monitored on a biennial basis and focuses on key workplace activities (general risk assessments, workstation assessments, specific personal safety risk assessments, arrangements for contract monitoring). A table outlining the performance of each directorate is included with this report.
- 4.5 Many of the Council's significant H&S risks were associated with services which are now contracted to external providers. However, there was insufficient evidence that, where workplace risks remain, the arrangements were adequate within the:
- People Directorate: in relation to staff involvement with H&S (this has now been addressed with the re-established Directorate H&S Committee);
 - Resources and the Chief Exec's Directorates: in relation to workstation assessments and personal safety;
 - The H&S performance of EH&R is on target with no areas for improvement this year.

Arrangements are in place to address the above with monitoring through the Directorate H&S Committees.

Workforce Data - Diversity and Inclusion

- 4.6 The Council understands that as a public body, community leader, a service provider, a major employer and a commissioner of goods and services, we have a clear social and statutory responsibility to prevent discrimination and advance equality.
- 4.7 Our Equality and Diversity Framework sets out our commitment to Equalities in service provision and employment. It also sets out the requirements that the Equality Act 2010 places on Local Authorities. The Framework complements and reflects the key priorities set out in London Borough of Sutton's Corporate Plan, Ambitious for Sutton 2018 - 2023.
- 4.8 We annually review our progress on diversity and inclusion as part of the annual Equalities Monitoring Report. The scorecard below sets out the trends that have taken place in our workforce since 2012. We set targets each year to bring our workforce further in line with

both representation of these groups in our local population and for senior staff, their representation in the wider workforce. We have seen an improving picture in relation to the percentage of BAME staff in the workforce which has increased by over 4% since 2015 (currently at 21.5% and inline with 2011 Borough census figures). BAME staff earning over £50k have also increased significantly since 2015 (5.6% compared to 14.4%) although this is less than their representation in the workforce as a whole.

4.9 At 31 March 2018, our Gender Pay Gap was 14.6% (this is the mean or ‘average’ figure which is the difference between the average of men’s and women’s hourly pay) meaning the gap is in favour of men. The gap has increased since the previous reporting period at 31 March 2017 (5.4%) due to a number of structural changes in the organisation. The factors contributing to this include waste, parks and recycling staff TUPE transferring to Veolia on 1 April 2017; this group of staff included a high proportion of men who fell into the lowest pay quartile in the previous reporting period. Finance and Customer Experience staff from Kingston Council have TUPE transferred into Sutton since the previous reporting period and within this group there are a number of female staff who fell into the lower pay quartiles, in addition to a number of male staff in Finance who were in the upper pay quartiles. However, since March 2018, we have recruited a new female Chief Executive and the percentage of women in the upper pay quartile has increased by 3%, which should have a positive impact on next year’s calculation.

4.10 In relation to LGBT and disabled staff, there have been some fluctuations in these figures (as the numbers tend to be low, a small change can have a significant impact) and we will continue to monitor these trends and take action to improve declaration rates (which tend to be lower in these areas). It is disappointing that numbers of staff in the 16 to 24 age range has decreased this year, but our work to promote apprenticeships should hopefully improve these figures going forward.

Measures	2019 Target	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Comments
Percentage of black and ethnic minority employees within the Council	25%	15.4%	15.8%	17.4%	16.9%	20%	23.9%	21.5% (229)	A slight reduction on last year. 2011 Borough Census = 21% BAME - GLA projection is 26% by 2019.
Percentage of employees earning over 50K from black and ethnic	16%	5.2%	4.5%	5.56%	5.9%	3.5%	14.5%	14.4% (16)	A marginal reduction from the previous year which increased significantly - due to Finance

minority groups									Shared Service staff TUPE in, as well as salary increments into the £50K threshold.
Percentage of employees declaring they meet the Equality Act definition of disability	6%	10.2 %	8.6 %	7.6 %	6.7 %	6.2 %	4.8 %	4.4 % (29)	A slight decrease from the previous year. Declining trend, although because of low numbers small change can have a big impact. Borough percentage is 6%. Our Disability Confident status and work to increase declaration rates should hopefully improve figure.
Percentage of employees earning over 50K declaring they meet the Equality Act definition of disability	6%	12.5 %	15.4 %	14.3 %	12.8 %	7.3 %	4.7 %	4.3 % (3)	A slight decrease since last year . Similar representation over £50k to that in the workforce. Leavers in this category have resulted in a year on year decline although because of low numbers a small change

									can have a big impact.
Percentage of employees that are women		67.4 %	66.5 %	67.0 %	66.4 %	64.5 %	71.5 %	71.2 % (758)	Slight decrease from last year which saw significant increase due to Tupe transfer of Finance and Customer Contact into Sutton from Kingston. Significant increase in female employees has resulted in an adverse change in the proportion of women earning over £50K.
Percentage of employees earning over 50K grade that are women	55%	46.5 %	45.8 %	52.0 %	57.5 %	42.7 %	49.0 %	53.1 % (59)	This figure has improved this year but as overall representation of women has increased it is still not representative.
Percentage of LGBT employees within the Council	9%	2.67 %	3.1 %	3.5 %	3.7 %	4.2 %	4.6 %	4.4 % (31)	A small decline since last year. Estimated 9% in UK declare as LGBT .Low levels of declaration rates which we are trying to address.
Percentage of employees earning over	9%	6.15 %	11.1 %	11.6 %	8.0 %	8.7 %	7.6 %	6.9 %	Figure has dropped this year but still

50K grade that are LGBT								(5)	higher than LGBT % in Council as a whole. Low levels of declaration rates which we are trying to address.
% employees 16 to 24	9%	2.53 %	3.3 8%	3.7 %	4.75 %	4.1 2%	7.32 %	5.8 % (62)	Disappointing that this has dropped but hopefully with the work we are doing on apprentices this will improve.

- 4.11 Our refreshed OD Strategy will have a focus on wider Diversity and Inclusion issues across the Council including the development of an action plan. We also have a significant focus on being digital by design and this includes how we work. Our digital programmes are allowing staff to work in a flexible and agile way leading to a better work/life balance, which allows women (and men) more options for managing caring responsibilities. The Council has put in place a number of policies and actions to address diversity and inclusion in the workforce to ensure there are no barriers to progression. These are detailed below.
- 4.12 We have been working with Diversity by Design, an equalities consultancy, who have provided a recruitment methodology which we are exploring, that takes all bias out of the selection process. We are currently piloting this approach on a number of posts.
- 4.13 We are looking to rebrand our job adverts, promoting our commitment to diversity, flexible working and our staff networks.
- 4.14 Our PRIDE Values are embedded in our organisational development and performance management arrangements, including the “D” for diversity.
- 4.15 We have 6 equality staff network groups across the council, each with a senior manager sponsor, who are helping build awareness of the needs of all, ensuring we treat others fairly and respectfully. These include BAME+Allies, LGBTQ+Allies, Youth Group+Allies, Women’s+Allies, Family & Carers+Allies, Disability+Allies. From June, members of each staff network will have the opportunity to attend and feed into the Equalities Champions Group.
- 4.16 We have the following plans for the future:

- Reviewing workforce monitoring reports and ensuring that where there is underrepresentation at senior levels, there are no barriers within the organisation to progression.
- Reviewing our appraisal scoring to check for any bias.
- A focus on improving workforce diversity monitoring across the council and improving self declaration rates on iTrent to provide us with richer information on the makeup of our workforce.
- Using our in-house coaching and mentoring programmes to support under-represented groups to prepare for senior roles.
- A senior leadership group has been established to review findings from a recent survey of staff about how they view Sutton's approach to diversity and inclusion. This will result in an action plan being developed to respond to this feedback across the Council.

Workforce Data - Apprenticeships

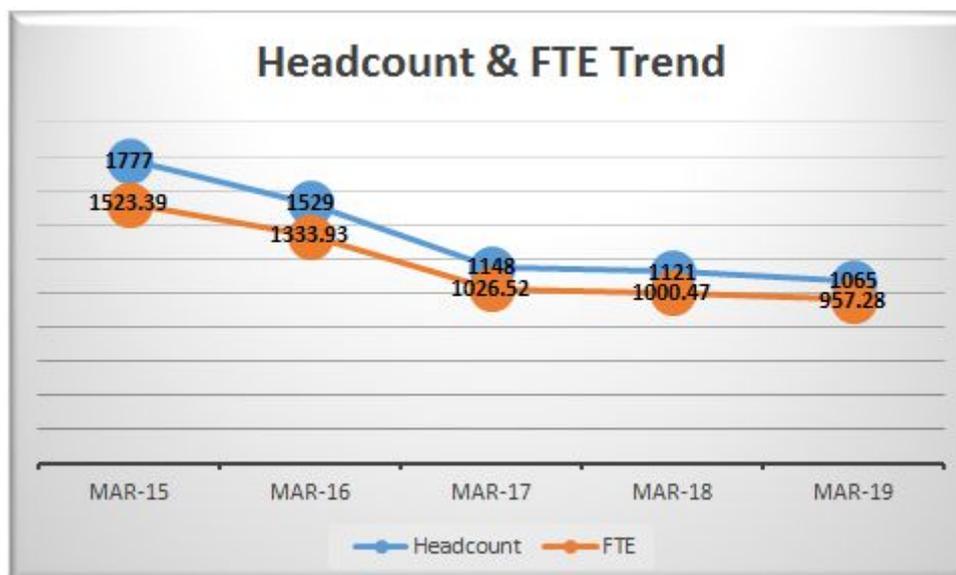
- 4.17 This year we have seen an increase in apprenticeship take up, with 37 recorded new starts (a combination of new apprentices and existing staff) compared with 11 starts recorded for 2017/18. In addition, 9 apprentices will be starting shortly in 2019/20 financial year and 16 apprenticeships are in the pipeline for 2019/20. The government has set a target for local government to achieve 2.3% of the total headcount for apprenticeship numbers. In Sutton we are currently at 1.42%. Research from the LGA predicts that only 9% of London authorities will meet the target.
- 4.18 Apprenticeships are now being undertaken across a number of different apprenticeship levels and standards which will continue to be the case as more apprenticeship standards are developed and released. It's expected that key apprenticeship standards in hard-to-recruit to areas will be used in the near future, including but not limited to: the Social Worker Degree Apprenticeship, Occupational Therapist Degree Apprenticeship and Certified Town Planner Apprenticeship.
- 4.19 Apprenticeships are now being undertaken across a number of different apprenticeship levels and standards which will continue to be the case as more apprenticeship standards are developed and released. It's expected that key apprenticeship standards in hard-to-recruit to areas will be used in the near future, including but not limited to: the Social Worker Degree Apprenticeship, Occupational Therapist Degree Apprenticeship and Certified Town Planner Apprenticeship.
- 4.20 LBS's current unspent apprenticeship levy funds stand at £450,550, with £53,758 being spent to date. We have £283,341 committed spend so £229,583 is outstanding and to be paid (paid on a monthly basis over the duration of the apprenticeship). Based on current spend and projections, unspent apprenticeship levy funds will begin to expire on a monthly basis from October 2019 (with expected starters for April 2019 this could defer to November

2019). An overview of the current projections is below:

Date	Cost of training info	Completion payments info	Expired funds info	Funds in info	Balance info
Apr 19	£11,973	£0	£0	£21,812	£482,201
May 19	£11,550	£1,400	£0	£21,812	£491,062
Jun 19	£11,550	£0	£0	£21,812	£501,323
Jul 19	£11,379	£600	£0	£21,812	£511,156
Aug 19	£11,379	£0	£0	£21,812	£521,589
Sep 19	£11,379	£0	£0	£21,812	£532,021
Oct 19	£11,379	£0	£2,991	£21,812	£539,462
Nov 19	£10,224	£3,600	£9,028	£21,812	£538,423
Dec 19	£9,133	£3,800	£10,132	£21,812	£537,169
Jan 20	£6,733	£7,200	£9,252	£21,812	£535,796
Feb 20	£5,433	£5,400	£12,015	£21,812	£534,759
Mar 20	£5,433	£0	£17,530	£21,812	£533,608

Workforce - Staff Data

Headcount and FTE



- 4.21 Since 2015 headcount and FTE for the council has dropped significantly by around 600. The reasons for this are the TUPE of staff into the Shared HR & Environment Services with Kingston Council, the TUPE transfer of Waste staff to Veolia and transfer of some aspects of

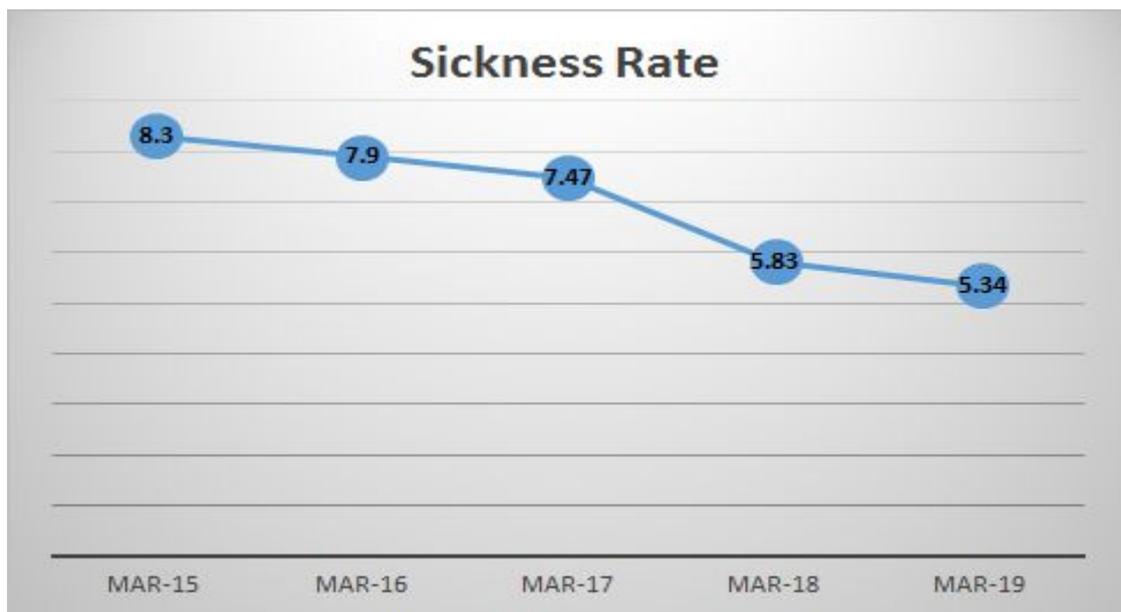
children's services to Cognus Limited and Encompass. In the last year, headcount and FTE has remained relatively stable.

Voluntary Turnover



4.22 Voluntary turnover has increased overall since 2015 when it was around 10% to 17.7% at March 2019. The increase in turnover for March 2019 (from 13.7% in March 2018), is due to a decrease in average headcount and an increase in the number of leavers particularly in Customer Experience & Libraries, Heritage and Arts.

Sickness Absence



- 4.23 Sickness rates have declined from around 8 days per full time equivalent employee in 2015 to 5.34 days in March 2019, it is thought this is likely, in part to be due to high levels of sickness in the Waste function which TUPE transferred out in 2017. The long term sickness rate is around 2.7 days. The 5.34 day per employee sickness rate is more in line with the UK average sickness rate which was around 4.6 days per employee, however it is lower than the 2018 average sickness rate of London Boroughs responding to the Human Capital Metrics survey which was 8.2 days lost per employee.

Workforce - Agency Data

- 4.24 Some agency staff will always need to be used in the short term as a 'stop gap' or to bring skills into the organisation that may only be needed in the short term. Agency workers are regularly reviewed by DMTs to ensure that there are exit strategies in place. A significant percentage of our agency workforce are social workers in Children's Services due to the nature of the wider workforce in this sector. We have successfully brought down the number of agency workers used in the service over recent years.

Headline	Comments	Action
205 live agency assignments	A 12% increase over last 6 months.	Some agency staff will always be used and this is monitored regularly by DMTs to ensure exit strategies are in place. As part of the refreshed OD Strategy, workforce planning will enable directorate and the organisation overall to better understand their workforce needs and best way to fill posts.
79 have been with LBS for over 53 weeks	20 % reduction over the last 6 months	This figure is reducing but needs to be constantly monitored.
64% of agency workers are in the People Directorate.	Mainly in social care and qualified social work	This is not unusual and is part of wider social workforce issues nationwide. Much work has been undertaken and is continuing around social work recruitment and usage and agency staff have reduced as a result. We are currently exploring retention payments to reduce this usage further.

Health and Safety

Consultation with employees

- 4.25 The current arrangements for consultation with employees is through Directorate Health & Safety Committees. The Directorate Health & Safety Committees are attended by staff, TU representatives and senior managers. The H&S team also attend in an advisory capacity. In addition, the Sutton Joint H&S Committee provides a forum where H&S can be discussed between elected members, TUs and officers.
- 4.26 It has been proposed to merge the Joint H&S Committee with the Council & Employee Joint Committee (CEJC) and this will be considered at the next meeting on 9th May 2019. The merger would save resources for Committee Services, the H&S Team and the attending Councillors by removing the need to have a separate committee with the trade union side for health and safety matters.
- 4.27 Directorate Health and Safety Committees review revised policies and workplans and feedback. Revised policies for consultation with staff are also on the intranet and Insight to help encourage staff to contribute and engage with H&S where required.

Overview of the H&S performance of the Directorates

- 4.28 Each directorate agreed specific health and safety targets including risk assessment reviews and also relating to identified risks in their directorate. All directorates agreed personal safety risks and ergonomic risks from workstations should also be a target. These are:
- risk assessment reviews
 - personal safety
 - computer workstations
 - contractor management
- 4.29 Progress is monitored at the Directorate Health and Safety Committees, summary of findings:
- Chief Executive and EH&R have completed some of their targets by the end of Quarter 3;
 - Resources are close to completion;
 - People Services need to provide evidence of risk assessment review completion and personal safety arrangement checks to achieve the target by the end of Quarter 4.

4.30 Completion should be achievable by the end of Quarter 4 for all directorates.

Corporate Priorities

4.31 Detailed information on the directorate risks has been provided to CMT and areas for improvement across the Council include fire risk assessments, commissioning arrangements and personal safety.

- fire risk assessments - *a corporate, rather than a directorate or service lead, approach would ensure appropriate and consistent controls are in place across all workplaces. We await the outcome of the Grenfell Tower Inquiry which may lead to new legislation.*
- health and safety arrangements relating to commissioning - *to ensure that H&S is properly considered as part of the commissioning process and the CSOs;*
- personal safety arrangements - *identified need to further strengthen the current personal safety arrangements through provision of lone working devices and/or mobile phone apps.*

Personal Safety and Review of Arrangement

4.32 Personal safety risks across the Council for activities relating to work with the public or clients, continues to present a high risk because of the number of reported incidents and also because of the unpredictable nature of the potential consequences. The sharing of information about potential violent and aggressive people through the Corporate Warning System (CWS) has helped ensure schools, councillors, partner organisations (e.g. Sutton Housing Partnership) have access to warning information and are able to reciprocate with their own information as part of a risk assessment.

4.33 **Schools** - The Council remains the employer of eight schools and one college in the borough and is, therefore, responsible for their H&S. All have recently completed a review of asbestos management - organised through the Education & Skills Funding Agency - and have been able to demonstrate there is adequate control of asbestos in each establishment. Asbestos continues to be one of the most serious H&S issues affecting many schools across the UK.

4.34 All the significant health and safety risks are included on the Council's Corporate Risk Register and regularly reviewed.

4.35 **Contact with Enforcing Authorities** - The Health and Safety Executive visited Civic Offices in October 2018 to inspect the building's cooling towers and legionella procedures. They were satisfied with the controls in place to manage the risk from legionella.

4.36 **Training** - Training provided by the H&S Team continues to be well received with the Manager H&S training, personal safety and fire safety related courses with the highest attendance. The training programme has been reviewed for 2019 to ensure it reflects the

current needs of the Council in relation to its risk portfolio.

4.37 Staff Accidents/Incidents - 1st July 2018 - 31st December 2018

Total No of accidents	147
RIDDORs	2

4.38 Aggression (non physical injuries) from clients/members of the public remains the most reported incident followed by non serious injuries arising from slips, trips and falls.

4.39 improvement RIDDORs - there were **two** staff RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reports:

- manual handling injury to a Site Manager at a maintained school;
- member of parking services staff injured from tripping whilst carrying out an inspection.

Occupational Health

4.40 Reports from Occupational Health and the EAP contracts show stress and mental health are among the most reported issues. Health promotion events have been introduced to support staff including:

- regularly promoting the EAP through Insight and health promotion events including the recent ‘Good Thinking’ event focussing on insomnia and how to sleep better - where the team worked with Public Health;
- Sutton will be supported the ‘Time to Change’ national initiative on 7th Feb designed to encourage all employees to have a conversation about mental health at work. Further work relating to Time to Change is planned for later in the year.
- the OH&S Team is reviewing the current guidance with HR colleagues and the Learning & Development team to ensure appropriate training is in place and accessible.

5. Options Considered

5.1 Not applicable.

6. Impacts and Implications

Financial

6.1 None.

Legal

- 6.2 The Council employs competent staff in the shared Occupational Health, Safety & Wellbeing team – specifically H&S Advisers/Consultants, in compliance with Regulation 7 (8) Management of Health and Safety at Work Regulations 1999. The directorate health and safety committees have been set up in compliance with Regulation 9 of the Safety Representatives and Safety Committees Regulations 1977 and the Health and Safety (Consultation with Employees) Regulations 1996.

7. Appendices and Background Documents

Appendix letter	Title
None	

Background documents
None

Audit Trail		
Version	Final	Date: 01 May 2019
Consultation with other officers		
Finance	No	N/A
Legal	No	N/A
Equality Impact Assessment required?	No	N/A

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