



Leicester
City Council

Performance & Value For Money Select Committee
Cabinet

23 September 2009
5 October 2009

Improving BME Workforce Representation: Progress Report

Report of the Chief Executive

1. PURPOSE OF THE REPORT/SUMMARY

- 1.1 To provide a further update to Cabinet on the work being undertaken across the Council to progress the 'quick wins' identified in the *Black Workers Group Report: Improving BME Workforce Representation* that was considered by Cabinet in October 2008.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet note this report and welcome the reported increase in the proportion of the Council's workforce from BME communities that has occurred since 2007, which has improved its representativeness.

3. Background

- 3.1 Leicester is one of the most diverse cities in the country. As *The Diversity of Leicester: A Demographic Profile* indicates, it has been estimated that Leicester's minority ethnic population in 2007 was 40% of the total population. In the same year, 54% of school pupils had an ethnic minority background. If current population trends continue, Leicester is forecast to be Britain's first 'majority minority ethnic' city by 2012.
- 3.2 The One Leicester strategy recognises the strengths that Leicester's diversity brings to the city. It also acknowledges that the city welcomes new communities and makes people feel at home, making Leicester better placed than many cities to benefit economically and culturally from increased migration in the future.
- 3.3 It is important that the Council's workforce reflects the communities it serves. Residents have told the Council that they want to deal with staff they can identify with and who they are confident will understand their particular needs. This supports the One Leicester vision, in particular the

key themes of confident people and greater prosperity where no one is trapped by poverty.

- 3.4 A diverse workforce also supports effective community cohesion. A third of the respondents in the 2008 IPSOS MORI residents' survey said that they met and talked with people from different ethnic backgrounds in the workplace. As the largest employer in the City, the Council has a particularly important role to play in this regard. In addition, the Council has a key role to play in employing and 'upskilling' local people, particularly those in disadvantaged communities who face significant employment barriers.
- 3.5 The report *Black Workers Group Report: Improving BME Workforce Representation* considered by Cabinet in October 2008 noted that Leicester's BME population was under-represented at all levels within the Council's workforce. The Council was most representative at the bottom three tiers (up to £30,600 p.a.) and least representative in the top three tiers (£40,151 p.a. and above). The report showed that the proportion of the Council's workforce from ethnic minority communities fell from 24.6% in 2003/4 to 20.0% in 2006/7.
- 3.6 One issue noted in the October 2008 report was the lack of a comprehensive annual employment profile and consequent data gaps. This made it more difficult to gain a precise understanding of trends within different parts of the Council. The Director of Human Resources has made this a priority and a detailed employment profile is currently being finalised. The profile indicates that the proportion of BME staff has now increased to 23.1%. It is anticipated that this percentage will increase further following the Department for Children, Schools and Families (DCSF) School Workforce Census that will be undertaken this autumn, as the ethnicity of 40% of schools staff is currently unknown. The proportion of BME staff in central departments now exceeds 30%. The profile also indicates that while the Council is still less representative among higher tiers, the proportion of BME staff on SO and PO grades 1-5 has increased over the past two years.
- 3.7 The employment profile will be used to inform the development of specific workforce targets and indicators to enable service directors to address under-representation within their service areas. The development of action plans to progress workforce representation will follow on from the establishment of targets.
- 3.8 The October 2008 report highlighted a number of issues for the Council to address and also presented a range of 'quick wins' and longer term actions. Cabinet agreed to these in principle and also expressed support for the principles underlying the approach put forward in the report.
- 3.9 Both Cabinet and the Overview and Scrutiny Management Board received the first of the scheduled six-monthly progress reports in May 2009, which provided a detailed update on actions taken in response to the original

report. This report provides a further update on some key aspects of this work, ahead of the next more detailed periodic progress report, as well as informing Cabinet and OSMB about the range of initiatives to be implemented during the coming months.

4. Reach Higher Programme

- 4.1 The October 2008 report outlined the proposed Voluntary Directors and Voluntary Heads of Service schemes. These built on the existing Voluntary Director scheme developed by the Regeneration and Culture BWG working with the former Regeneration and Culture Department in consultation with City Learning, the Director of Human Resources and her management team, and the Workforce Representation Working Group.
- 4.2 As was outlined in the update report to Cabinet in May, the Reach Higher Programme has taken this work forward, moving towards a training/personal development approach as well as aligning it to the Council's new structure. The initiative has subsequently been expanded to encompass eight Voluntary Directors (rather than the six mentioned in the previous report). As each programme will run for a year (followed by an additional year of ongoing support from City Learning), the programme will operate on an annual basis.
- 4.3 Each of the Voluntary Directors will be given a personal development programme of training, mentoring and support, following assessment of their individual learning needs via a 360° assessment (benchmarked against senior management competencies), a series of psychometric profiling exercises, appraisals from their line managers and feedback from their mentors.
- 4.4 Each Voluntary Director will also attend one of the Priority Boards. They will each be allocated a Strategic Director to champion and facilitate their attendance at their Board; the Strategic Director will also allocate work where appropriate. This will enable the Voluntary Directors not just to gain a greater understanding of the Council's strategic decision-making processes, but also to add value to them through their own contributions. Voluntary Directors will also have a senior manager assigned to act as their mentor, a career coach from City Learning and ongoing support from the BWGs. Each Voluntary Director will spend approximately twenty days away from their place of work.
- 4.5 The Reach Higher Programme goes live from this September and has been promoted by way of an article in the August edition of *Face* as well as via a promotional information sheet (a copy of this is attached at Appendix 1). Information has been sent to all non-school based BME staff working for the Council. The programme is open to all BME staff regardless of their job role or pay grade. The deadline for applications was 28 August, and shortlisted applicants will attend a two-day course running on 8-9 September.

- 4.6 As the above demonstrates, the Reach Higher Programme represents a significant investment by the Council as well as practical commitment from the very top of the organisation to broadening the diversity of the Council's future senior management. It is especially significant that the impetus for, and much of the development of, the Reach Higher Programme came from the BWGs themselves. The programme will be evaluated at various stages and the learning points built upon.
- 4.7 The October 2008 report outlined comparative practice in other local authorities and from this it is clear that the Reach Higher Programme is likely to be seen as a model of innovative good practice. There is already demonstrated interest in applying the Reach Higher model elsewhere. For instance, East Midlands Racial Equality Council has recently submitted a Tackling Race Inequalities Fund bid to the Department for Communities and Local Government, a significant part of which covers the proposed rolling out of the Reach Higher approach to public sector organisations across the region where there is under-representation of BME staff, particularly at senior management levels.
- 4.8 The Council is currently finalising a new Learning and Development Strategy which recognises the authority's need to have good representation reflective of the community it serves. A threefold learning strategy is being proposed to address under-representation, especially at the higher levels of the organisation, as follows:
- To raise equality awareness amongst staff.
 - To have fair and transparent talent management processes in the council which constantly raise the bar in relation to high quality development. This should include:
 - clear standards
 - access to good development
 - clear career paths
 - supportive and appropriately skilled management
 - To have targeted approaches which address entrenched areas of under-representation - wherever possible, these would be integrated with mainstream programmes, but where identified, additional development support would be provided (e.g. Reach Higher).
- 4.9 A further example of the Council's approach is demonstrated by the pilot Leadership in Partnership initiative that has been developed by the Council and the Leicester Partnership working with the University of Warwick. This is designed to build collaboration between the major public sector bodies in Leicester to ensure that the priority needs of communities are being addressed. This is a significant investment by the Council and the Partnership, as the costs are £8,000 per participant. The Council has two participants in the initiative, one of whom is a very capable BME manager. In identifying the pool from which these participants would be drawn, the Council focused on those individuals who have the potential to

develop into senior management. By offering the opportunity to tier 3 and 4 managers, the Council focused on a layer of management where there is already a more representative profile.

- 4.10 In addition, under the Leadership in Partnership initiative the BME participant has been offered a seat for a fixed period on the strategic board as a Voluntary Director on the corporate team. The participant will receive mentoring from the Chief Executive as well as another senior officer from a diverse background. This is the commencement of a wider programme of talent management which will see this opportunity being offered to other Heads of Service in the future. Other BME managers will be encouraged to apply for this opportunity.

5. Work undertaken by the Black Workers Groups

- 5.1 As the section above indicates, the BWGs have played a very significant part in the development of the Reach Higher Programme. However, they are also undertaking a range of other initiatives aimed not just at supporting BME staff but also at improving workforce representation at all levels of the authority. As the May update report set out, representatives of the BWGs attend a number of different corporate groups (e.g. the Workforce Representation Working Group) to ensure that BME workforce issues are being adequately addressed.
- 5.2 With the launch of the Chief Executive's Office/Resources Black Workers Group in April, there are now BWGs across the Council. The BWG for Adults and Housing/Children and Young People's Services (A&H/CYPS) now has a 0.8FTE support worker jointly funded by both of the former departments.
- 5.3 Both the BWGs for A&H/CYPS and for Regeneration and Culture are in the process of formulating Business Plans. In the case of the A&H/CYPS BWG, the plan will be framed around eight key priorities. One focus will be to ensure that the BWG's activities and support of relevance to all BME staff, following on from a mapping exercise to map the needs and wants of all BME workers across all service areas in the two former departments. A consultation/engagement session has already been held to find out how best to carry this out.
- 5.4 The BWGs are also now surveying BME staff across the Council, in line with the proposed annual questionnaire as set out in the October 2008 report. This survey will repeat and build on the questions asked in the original survey last year to get a fuller picture of the issues still to be addressed around BME workforce representation across the organisation. A copy of the survey is attached at Appendix 2. The survey has gone out to all non-school based BME staff with a cover letter from myself as Chief Executive, to highlight the importance that the Council attaches to this work. The findings of the survey will be reported to Cabinet and should provide an initial indication of whether there has been a shift in

perceptions among BME staff about their career opportunities as a result of the work being undertaken.

- 5.5 The various BWGs continue to raise awareness among their members of training and development opportunities available through City Learning and signpost how to access them through their peer support network. For instance, the BWG for A&H/CYPS provides learning opportunities at its meetings where BME managers share their experiences and how they have successfully tackled past barriers. In addition, a representative of the BWG for Regeneration and Culture has liaised with the Leicestershire Black Police Association, the County Council's Black Workers Group and black employees networks within the local NHS, to share good practice, build links and begin to create opportunities to obtain external funding.
- 5.6 One initiative of particular significance is the development of a series of interactive developmental workshops for BME staff. This is being led by the BWG for A&H/CYPS, although they are working with the other two BWGs to develop these. The aim of the workshops is to empower BME staff to get training and development so that they can build their careers. In commencing the development of the workshops, the BWG for A&H/CYPS drew on consultation sessions undertaken with their members as part of their regular meetings, to find out what they would find most useful. They then consulted with the other two BWGs, ahead of meeting with City Learning to enable the workshops to be integrated into the Council's training and development activities.
- 5.7 The workshops are currently being finalised, but it is currently anticipated that there would be six in total, one running every two months over a year starting from autumn 2009. City Learning is providing £6,000 funding (i.e. £1,000 per workshop) as well as some organisational support. As it is currently intended that between 150-300 staff would attend each workshop (depending on the number of sessions), it can be seen that they represent excellent value for money. The areas to be covered would link to issues raised in the report submitted to Cabinet in October, and could include challenging racism, multiple discrimination, principles of negotiation, understanding recruitment and selection, and two sessions on personal empowerment and development, including personal action planning to empower individuals to take responsibility for their self development.

6. Targeted Search Work for Strategic Director and Director Recruitment

- 6.1 The Council's commitment to improving BME staff representation at senior levels in the organisation was demonstrated by the targeted search work undertaken during the recent recruitment exercises for Strategic Directors and Directors.
- 6.2 The three Strategic Director posts were recruited via a composite advert in the national press, Local Government Chronicle and on the web to ensure a broad potential audience and awareness. However, when the

Employees Committees for each post met, it was clear that the candidates were not reflective of Leicester's diversity. It was therefore agreed to delay the recruitment process to enable targeted executive searches to take place to enrich the candidate pool. The proposal from the initial consultancy approached fell short of the Council's requirements, so two specialist recruitment agencies were used.

Strategic Director, Children

- 6.3 The recruitment of the Strategic Director, Children, was conducted against an unfavourable national backdrop which may have adversely affected the level of interest in the post. It was agreed to take action to enhance the pool of candidates, including seeking to obtain greater diversity.
- 6.4 The agency used by the Council specialises in children's and adult's services, and used a consultant from a BME background during this exercise. This agency made 157 calls to potential applicants across all parts of England at Director level, Assistant Director level or equivalent, consistent with the high profile of the Strategic Director post. 102 of these calls resulted in a contact being made. In addition, a further advertisement was used.
- 6.5 The agency noted comments made by the candidates on an anonymous basis to provide feedback to the Council. Positive comments were received about the Council's vision and aspirations and the City's diversity. However, it was very clear from the comments that the national climate around child protection issues in other authorities had affected the recruitment exercise. One other factor concerned salary levels. While attractive in many contexts, a number of potential candidates noted that the salary levels offered by Leicester were well below those offered by authorities in the London area. This factor may have been exacerbated by the impact of the recession on property prices and the state of the property market, discouraging applicants from relocating at present.
- 6.6 The agency advised that there were very few existing BME Director and Assistant Director level staff across the whole of England – in fact, there were only two. Given this, it is unsurprising that while the additional search exercise improved the caliber and number of candidates for consideration, the diversity of the candidates was not broadened.

Strategic Director, Adults & Communities

- 6.7 In the case of the Strategic Director, Adults & Communities post, it was again agreed to take action to enhance the pool of candidates, including seeking to obtain greater diversity. One fifth of the initial applicants were from BME backgrounds, as were one quarter of the initial shortlist.
- 6.8 The same agency was used as for the Strategic Director, Children post i.e. one specialising in children's and adult's services. Again, a consultant from a BME background took part in the exercise. This agency made 52

calls to potential applicants, and contacted 24 people confirmed or likely to be from BME communities.

- 6.9 As a result of this, four additional potential applicants were identified, three of whom were from a BME background. From the wider pool thus obtained, the resulting shortlist of 4 candidates included two from a BME background, with one BME candidate being taken forward to final interview.

Strategic Director, Development, Culture & Regeneration

- 6.10 While there was a larger applicant pool for this post, it was again agreed to use an agency to broaden the diversity of the potential candidate pool. The recruitment agency used by the Council specialises in local government and has a renowned breadth of coverage.
- 6.11 The agency's executive search activity added four candidates to the pool originally shortlisted, three of whom were from BME backgrounds. One BME candidate was not recommended to go forward in the process following the technical assessments and another BME candidate withdrew due to a change in personal circumstances leading to them being unable to change work location.
- 6.12 Two further candidates, one white and one BME, were added to the pool of candidates for the assessment centre. Unfortunately, prior to the assessment centre, the BME candidate was offered incentives to stay with his current employer and withdrew their application. The pool shortlisted to the last stage of the process did therefore unfortunately not include any BME candidates.
- 6.13 The agency reported that the economic climate, difficulties in relocating and reluctance to relocate reduced the number of interested candidates.

Directors of Safer and Stronger Communities and Assurance and Democratic Services

- 6.14 Following the Strategic Directors recruitment exercises and the Divisional Directors review, the Council decided to use specialised recruitment agencies for all Director-level recruitment to broaden the diversity of the pool candidates.
- 6.15 This policy was first applied for the recent recruitment of the two posts of Director of Safer and Stronger Communities and Director of Assurance and Democratic Services.
- 6.16 In the case of the Safer and Stronger post, 64 calls were made and 27 contacts were made (the search was conducted during half-term which may have impacted on the number of contacts made). There were three BME applicants for the post. The agency again noted the impact of the recession on people's inability to relocate. However, they also commented

that “as expected, [they] were advised that there is a real shortage of high quality BME staff at Head of Service levels outside of London/South East”. While the salary offered was generally seen as attractive, it was noted that Service Head salaries in London were similar to the top end of the scale being offered for the Director post. More positively, the agency added that while the shortage of high quality BME candidates outside of the London area was “historical”, there were “up and coming individuals especially in City/Metropolitan Councils”.

- 6.17 The additional search for potential candidates for the Assurance and Democratic Services post resulted in 34 calls and 23 contacts being made with potential candidates from BME backgrounds. There were four BME applicants for the post. Again, salary levels were raised as an issue: one person contacted said that the salary on offer would “not attract the best people from London and that is where most of the best people are”.

Learning Points from the Search Exercises

- 6.18 It is clear from the above examples that the Council went to considerable lengths to broaden the diversity of the pool of candidates for the recent Strategic Director appointments. As a result of the Strategic Directors recruitment exercises, the Council has decided to use specialised recruitment agencies for all Director-level recruitment to broaden the diversity of the pool candidates.
- 6.19 In addition, to ensure a robust and fair selection process, assessment centres were used which included input from stakeholder groups. A BME member of staff formed part of the assessment team for both of the recent recruitment exercises for the posts of Director of Safer and Stronger Communities and Director of Assurance and Democratic Services. The Council’s intention is to use senior BME staff as part of the assessment process for all future senior management posts.
- 6.20 Some clear themes emerged from the search exercises which have been mentioned above. In particular, the salary differentials between Leicester and London area authorities may be restricting the Council’s ability at this time to attract large numbers of suitably qualified and experienced BME candidates, something which is currently being exacerbated by the impact of the recession on people’s ability and willingness to relocate.
- 6.21 The indications are though that in the medium-term future it will be possible for the Council to attract a more diverse range of candidates for senior positions. The experience of using agencies on these recruitment exercises has given the Council a much greater knowledge of the national market for BME senior managers. In addition, the fact that the Council has conducted searches has increased its profile among BME senior officers across the country, with the potential that they will have greater interest in Leicester as a future employer when other vacancies arise.

6.22 Finally, the outcome of the searches strongly validates the activities being taken through Reach Higher and by the BWGs to enable the development of existing and future BME staff within the Council. As the original report to Cabinet in October 2008 noted, the Council needs to 'grow its own' BME senior management by developing existing senior staff who show potential as future managers.

7. Conclusion

7.1 The Council recognises that improving the overall diversity and representativeness of its staff is crucial if it is to be fit for purpose to serve a 'majority minority ethnic' city and realise the One Leicester vision. The initiatives outlined in this report demonstrate that a great deal of action is being taken both by the Council as a whole and the BWGs in particular to put in place a credible and sustainable approach that will deliver for the Council and the City as a whole.

7.2 The way in which the bottom-up innovatory good practice initiated by the BWGs is now being developed by them working together with the Council as an organisation provides a real opportunity to achieve a step change in achieving greater representative of the Council's workforce. While the headline figures in the forthcoming employment profile indicate that a corner may be being turned, I would be the first to acknowledge that much remains to be done. The Council will continue to welcome input from the Leicester Racial Equality Council, the BWGs and other groups and organizations as this work progresses.

7.3 Finally, as the October 2008 and May 2009 reports noted, the innovative approaches being developed in response to the issues raised by the BWGs will also be used to inform future work on other diversity and representation issues.

8. LEGAL AND FINANCIAL IMPLICATIONS

8.1 Financial Implications

Any costs associated within this report will be contained within existing training budgets. (Alison Greenhill, Interim Chief Accountant, ext 297421)

8.2 Legal Implications

Positive action taken by an employer to address issues relating to workforce representation is permissible under UK discrimination law. Positive action is limited but includes training and encouragement for people from a particular racial group that is under-represented in particular work. Positive action, however, does not include positive discrimination which is unlawful. It is therefore important to ensure that measures taken are within what is legally permissible as positive action. (Paul Atreides, Team Leader, Legal Services, ext 296368)

9. OFFICER TO CONTACT

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Key Decision No

Reason N/A

Appeared in Forward Plan N/A

Executive or Council Decision Executive (Cabinet)

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)