Establishment Committee

Date: **FRIDAY, 3 DECEMBER 2021**

Time: **1.45 pm**

Venue: **COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL**

3.   **MINUTES**
     To agree the public minutes of the meetings held on 15th October and 16th November.

8.   **EQUALITIES, DIVERSITY AND INCLUSION UPDATE**
     Report of the Head of Equalities, Diversity and Inclusion.

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

     10a - Return to the Workplace – the Chief Operating Officer to be heard.

     10b - Costs of Maternity, Paternity, Shared Parental, and Adoption Leave
     Report of the Chief Operating Officer

     Items received too late for circulation in conjunction with the Agenda.

                    John Barradell
          Town Clerk and Chief Executive

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ESTABLISHMENT COMMITTEE
Tuesday, 16 November 2021

Minutes of the meeting of the Establishment Committee held at Guildhall on Tuesday, 16 November 2021 at 1.45 pm

Present

Members:
Tracey Graham (Chair)
Deputy Edward Lord (Deputy Chairman)
Randall Anderson
Deputy Keith Bottomley
Alderman Sir Charles Bowman
Deputy Kevin Everett
Christopher Hayward
Deputy Jamie Ingham Clark
Jeremy Mayhew
Ruby Sayed
Deputy Philip Woodhouse

Officers:

John Barradell	-	Town Clerk and Chief Executive
Peter Lisley	-	Assistant Town Clerk
Gregory Moore	-	Town Clerk's Department
Lorraine Brook	-	Town Clerk's Department
Emma Cunnington	-	Town Clerk's Department
Caroline Reeve	-	Town Clerk's Department
Michael Cogher	-	Comptroller and City Solicitor
Caroline Al-Beyerty	-	The Chamberlain
Bob Roberts	-	Director of Communications
Dionne Corradine	-	Chief Strategy Officer
Barbara Hook	-	Corporate Strategy and Planning Manager
Charles Griffiths	-	Bursar, City of London School
Roland Martin	-	Headmaster, City of London Freemen's School
Emma Moore	-	Chief Operating Officer

1. **APOLOGIES**
   Apologies for absence were received from Henry Colthurst, The Revd Stephen Haines and Elizabeth Rogula.

   It was noted that Karina Dostalova had resigned from the Court of Common Council and consequently, in light of the vacancy that this now generated on the Committee, the position would be advertised in the usual manner ahead of the December meeting of the Court of Common Council. The Chair conveyed her thanks, and those of the Committee, to Ms Dostalova for her contributions

since her appointment to serve on the Committee and wished her the very best for the future.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
    There were no declarations of interest.

3. **MEMBER/OFFICER CHARTER**
    The Committee considered a joint report of the Town Clerk and Chief Executive and the Comptroller and City Solicitor relative to the adoption of a proposed Member/Officer Charter which was set out before Members for consideration. It was noted that the proposed Charter had been based on the current version of the Member/Officer Protocol which was adopted by the Court of Common Council in 2006 and most recently reviewed and updated in April 2019.

    Members commented on the importance of ensuring that high standards of behaviour were demonstrated at all times and maintained by Members given their position as holders of public office.

    In response to a query about how the Charter would be rolled out to staff and Members, the Town Clerk and Chief Executive advised that, subject to approval by the Court of Common Council, the Charter would be rolled out in multiple ways to ensure that it was profiled as soon as possible. The Town Clerk's podcast and staff communication tools, along with staff induction arrangements, would be used to profile the Charter amongst officers. With regards to Members, a key point for implementation would be after the 2022 ward elections and during the Member induction period. Other forums in which to profile the Charter would also be explored such as the Chairmen's Suppers.

    Resolved:- That the proposed Member/Officer Charter be approved, and, with the consent of the Policy and Resources Committee, a recommendation thereon be submitted to the Court of Common Council.

4. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
    There were no questions.

5. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
    There were no urgent items.

6. **EXCLUSION OF THE PUBLIC**

    Resolved: – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

7. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
A question was raised in respect of the Member/Officer Charter and responded to by the Comptroller and City Solicitor and the Chief Operating Officer.

8. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no items of urgent business.

9. **PROPOSALS FOR THE ORGANISATIONAL DESIGN OF THE DEPARTMENT OF THE DEPUTY TOWN CLERK AND CHIEF EXECUTIVE**
The Committee considered a report of the Deputy Town Clerk & Chief Executive relative to proposals for the organisation design of the Department of the Deputy Town Clerk & Chief Executive.

10. **CITY OF LONDON FREEMEN'S SCHOOL ORGANISATION DESIGN**
The Committee considered a report of the Headmaster of the City of London Freemen's School relative to the School's organisation design.

11. **CHAMBERLAIN'S DEPARTMENT ORGANISATION DESIGN**
The Committee considered a report of the Chamberlain relative to the Chamberlain's Department organisation design.

12. **TOM REVIEW: PILOT PROJECT AT THE 3 CITY OF LONDON SCHOOLS**
The Committee received a report of the Bursar of the City of London School relative to the pilot project at the three City of London Schools (TOM review).

13. **URGENT BUSINESS (CONFIDENTIAL): TOWN CLERK'S UPDATE**
The Committee received an update from the Town Clerk and Chief Executive.

The meeting ended at 3.44 pm

Chairman

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john.cater@cityoflondon.gov.uk

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Committee(s)	Dated:
Establishment Committee	03 December 2021
Subject: Social Mobility Index 2021	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	**3, 4, 5, 8,10**
Does this proposal require extra revenue and/or capital spending?	**No**
If so, how much?	**£0**
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	**Y/N**
Report of: Emma Moore, Chief Operating Officer	**For Information**
Report authors: Amanda Lee-Ajala, Acting Head of Equality, Diversity, and Inclusion	

Summary

This report provides the Establishment Committee, with an update relating to the positive outcome of the 2021 submission to the Social Mobility Index. The City of London Corporation has progressed from 50th position to 40th this year in the national league table. It was particularly praised for its work in areas including its work with young people, recruitment and selection processes and work toward greater data collection.

Recommendations

The Establishment Committee is asked to:

- Note this report.

Main Report

Background

1. The Social Mobility Employer Index was launched in 2017 to address the fact that a disproportionate number of people from affluent backgrounds,

private schools and elite universities get top jobs. It has grown to become the leading authority on employer-led social mobility. It assesses and ranks UK employers on the actions they take to ensure they are open to talent from all social backgrounds.

2. The Social Mobility Employer Index comprises of two elements: questions directed at employers, and an employee survey which was introduced in 2018. Employers are evaluated across seven areas: their work with young people, routes into the employer, the attraction of staff, recruitment and selection, data collection, progression of staff and experienced hires and advocacy.

3. The employee survey adds qualitative insights and contextualises the data provided in the employer submissions. The City Corporation did not participate in the employee survey this year (this did not affect its rating). Employers are then benchmarked against one another based on the results. The data and insights from this process are published in an annual Key Findings Report (Appendix 1) which features a ranking of the 75 top-performing employers on social mobility that year.

4. A total of 203 organisations employing over 1 million people, including major retailers, financial institutions, and Government departments, participated in the Social Mobility Employer Index this year.

Current Position

5. The City Corporation, which worked with the Social Mobility Foundation to set up the scheme four years ago, continues its upward progress having launched its Social Mobility Strategy and moved up from 66th place in 2018, 56th in 2019 and 50th last year and this year ranked 40th in the national league table of organisations, which work to attract and progress talent from a wide range of backgrounds.

6. The City Corporation was praised by the Social Mobility Foundation for its outreach work at schools with high levels of under-privileged young people, which it said was improving students' confidence and understanding of the sector. However, the feedback report commented that the Corporation is not currently flagging students from your outreach work when they go on to apply for recruitment programmes, internships, or permanent roles.

7. It is suggested that given work in this area is well targeted, it is likely that the young people encountered through outreach are often from backgrounds which are under-represented in the City Corporations workforce. The Social Mobility Foundation strongly encourages that this

data is collected as part of evaluating the impact of outreach work, to assess whether this work is having the desired effect.

8. The City Corporation also received praise for using anonymised recruitment and standardised interview questions and for offering opportunities to job candidates with lower levels of academic attainment. It is suggested that to elevate this work further, monitoring of the recruitment process should be established, to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down disproportionately. This would highlight the barriers that occur at those stages, so that they can be removed to level the playing field.

9. In addition to this, it is also suggested that looking at the relationship between social mobility and other areas such as gender and race could increase the richness of this data.

10. It should be noted that the feedback report (Appendix 2) includes deciles for each section. These refer to the percentage band that the City Corporation lies within for that specific section. The 1st decile represents being amongst the bottom 10% of organisations in the section, the 10th decile represents being in the top 10% in that section.

Corporate & Strategic Implications

11. This report is aligned to the City Corporation's Corporate Plan 2018-2023 by contributing to a flourishing society, people having equal opportunities to enrich their lives and fulfil their potential. Notably, for employees from lower socio-economic backgrounds. This will assist with building a sustainable diverse talent pipeline across the organisation in the future.

Implications

12. The City Corporation leads the Government-commissioned Socio-Economic Diversity Taskforce, which has over 100 employers represented across UK financial and professional services.

13. This progress will have a positive impact on the reputation of the City Corporation as it is able to showcase, some of the positive initiatives that it is actively implementing to become firm leaders in Equity, Diversity and Inclusion.

Conclusion

14. This is a great achievement, one that publicly affirms the hard work that departments are able to evidence across the City Corporation relating to this agenda. The feedback document sets out a clear route map of action

that can be taken to support current and future employees from lower socioeconomic groups and improve this score moving forward.   It is therefore, proposed that the valuable feedback from the Social Mobility Foundation is utilised to inform the Corporate Equality, Diversity and Inclusion Action Plan that is due to be developed in the new year.

Supporting Documents:

Appendix 1 – Social Mobility Index Report 2021

Appendix 2 – City of London Corporation Feedback from the Social Mobility Foundation

Report Author:

Amanda Lee-Ajala

Acting Head of Equality, Diversity, and Inclusion, Operations

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EMPL_YER INDEX REP_RT 2_21

SOCIAL MOBILITY FOUNDATION®

Contents

Top 75 employers

Foreword

This is the fifth year we have published the Social Mobility Employer Index.

In that time it has become the authority on employer-led social mobility: growing from 98 entrants to 203 this year. In total this year's entrants employ 1.35m people. Over those five years employers have taken significant strides forward in their social mobility practices, guided by the counsel provided by the Social Mobility Foundation.

These are welcome developments. They are also more necessary than ever. The pandemic has exposed and exacerbated deep inequities in our society. If older people have been on the health frontline of the pandemic it is the young who seem doomed to suffer the biggest economic and social consequences. More than half of under-25s had been furloughed or lost their jobs by last June. Half a million of them are currently unemployed. In schools, the disruption caused by Covid has put poorer children seven months behind their more privileged peers at school. Grandparents and parents alike are concerned that the social progress they enjoyed will not be repeated for this and future generations of young people. They are right to be worried. There is a very real risk that already anaemic levels of social mobility will go into reverse as a consequence of Covid. Britain cannot afford a lost generation if we are to have any chance of levelling up our country.

Thankfully more and more employers are stepping up to the plate. The growth in the Index – especially the number of firms within sectors that have typically struggled with socioeconomic diversity – demonstrates that social mobility is no longer a niche interest. Instead, it has rightly become a core aspect of the diversity and inclusion agenda. The focus on the S in ESG has been sharpened. This is timely, given the growing public expectation that employers will play a role in solving the biggest challenges facing society.

I want to thank all the employers who entered the Index this year given the continued uncertainty and disruption they undoubtedly face. Spurred on by successive lockdowns, some employers have innovated in their social mobility practices, such as rethinking outreach activity and university visits. The private businesses and public sector organisations in this year's Index are taking practical action of their own to level up Britain. They are ringfencing more internships for young people from lower socioeconomic backgrounds, adding social mobility sponsors at board level and working with clients to improve socioeconomic diversity in the supply chain.

In other areas of social mobility practice, however, there has been a lack of progress – particularly the lack of targeted interventions in social mobility geographical cold spots. More work is needed too on career progression, socioeconomic background data collection, training for managers and engagement with external recruitment support. Higher-level apprenticeships, long heralded as the silver bullet for social mobility, are offered by fewer employers in this year's Index and evidence is growing that they risk becoming the preserve of the middle-classes.

There is clearly still a long road ahead. Looking to the next five years, social mobility cold spots must be an unrelenting focus for employers alongside government. There can be no levelling-up if such deep geographical inequity persists. In addition, persistently unrepresented sectors, such as tech, must follow the lead of those newly represented this year, like leisure, sport and tourism, if we are to rescue the fraying promise of a meritocratic society.

More and more employers are committed to playing their part. A particular thank you and congratulations to the 38 firms who have participated in every year of the Index. I hope these firms have their sights set on ten years of participation, and that newer entrants take inspiration from such long-term commitment to creating more social mobility. All of the employers represented in the Index are showing that it is possible to create a society where it is not background or birth but aptitude and ability that dictate progress in life. They are proving it is possible to build back better.

Rt Hon. Alan Milburn
Chair, The Social Mobility Foundation

Overview

This report outlines the key findings from the 2021 Social Mobility Employer Index.

The Index has become the authority on employer-led social mobility since its creation in 2017, growing from 98 entrants to 203 this year. The employers represented in the 2021 Index collectively employ 1.35m people.

Seven key areas that drive social mobility in employer practice are assessed as part of the Index process. **Our key findings** across each area are set out below, along with our main recommendations for employers across the UK. Further detail is included in each chapter.

Social mobility cold spots

This term is used throughout the report to describe areas where social mobility is at its lowest. In these areas, people from lower socioeconomic backgrounds are much less likely to have the same opportunities as their better-off peers. This map indicates the 'coldest' of these areas as identified **by the Social Mobility Commission.**

Full list: Barrow-in-Furness, Blackburn with Darwen, Blackpool, Bolton, Bradford, Chiltern, Dudley, Fenland, Gateshead, Hyndburn, Kingston-Upon-Hull, Kirklees, Mansfield, North East Lincolnshire, Oldham, Pendle, Rochdale, Rotherham, St. Helens, Stockton-on-Tees, Thanet, Walsall, Wolverhampton, Wigan.

Number of entrants

Year		Value
2021		203
2020		119
2019		125
2018		106
2017		98
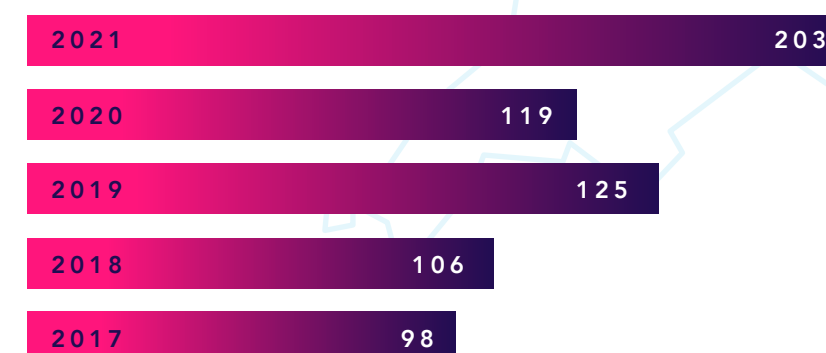
93 NEW

110 RETURNING

38 PARTICIPATED FOR ALL 5 YEARS

Executive Summary

Index Participation and Employee Survey

We received 93 submissions from new employers who had never previously taken part in the Index, and 110 from those who had taken part in previous years. There were 38 organisations who had taken part in all five years.

This year we have seen a different demographic of entrants to the Index. On average, first-time entrants were smaller than returning organisations, with an average workforce of around 4,000 staff, compared to returning entrants whose average is almost 9,000.

It is excellent to see the growth in diversity of employers, as it reflects a widening understanding of the challenges around socioeconomic diversity. However, the changing demographic makes it difficult to compare some year-on-year statistics and we have indicated where this applies.

The most represented sectors in the Index are unchanged from 2020. Law made up 25% of entries (down from 30% last year); banking, financial services and insurance made up 18% (unchanged from last year), while the public sector made up another 16% (down from 22%).

In general, returning organisations were more likely to be following our recommended best practice. For example, we recommend collecting data on socioeconomic background, and returning organisations were two and a half times as likely to be doing so, three times as likely to collect data on parental occupation – our recommended main metric – and four times as likely to be collecting three or more data points.

Nevertheless, highly represented sectors are not always those which are the highest performers. Law firms, for example, continue to disproportionately hire from Russell Group universities. This year, Russell Group graduates were three times as likely to be successful when applying to a law firm as those from other universities.

We also seek employee engagement through an optional employee survey. This year saw 12,681 employee responses from 49 employers, with a response rate of 20%. In the main, employees have reported broadly positive perceptions of the inclusiveness of their organisations, across a range of questions, over the past five years. However, employees working in the public sector were the least likely to respond positively to all questions which indicates that there is more work to be done to create an inclusive workplace culture.

Key recommendations

Investigate whether the culture of your organisation is welcoming to all social backgrounds by participating in the Index's employee survey

Index entrants should encourage others in their sector and beyond to submit to the 2022 Index

01 Work with Young People

In total, almost 33,000 young people were reached through work experience programmes across 117 organisations. This is a significant increase on all previous years, which may be explained by higher numbers of Index entrants, but also supports comments from employers that being able to deliver work experience virtually has allowed them to reach a larger number of young people.

The percentage of young people participating in outreach who were eligible for free school meals (FSM) was at a five-year high of 58%, which is positive. Yet just 55% of employers were conducting outreach work in social mobility cold spots – down 5 percentage points from 2020; indicating a clear need for employers to better target outreach work.

Of the employers in the Index, 76% moved some or all outreach activity online, showing an ability to innovate rapidly. 89% of those employers are planning to run a blend of both in-person and virtual outreach in the future, even when government guidelines allow in-person work.

One downside was the number of employers who did not provide all the necessary technological support for those taking part in work experience. Some technology was more likely to be provided than others. Only 45% of organisations provided Wi-Fi routers, for example, whereas 72% offered laptops.

Key recommendations

Collect socioeconomic background data on the young people you are engaging with

Flag students from your outreach work in your recruitment process

Link your outreach to recruitment through sustained contact, tracking and support

Consider digital accessibility when delivering virtual outreach, i.e. laptops and internet connectivity

02 Routes into the Employer

This year, a lower percentage of employers offered routes into employment for apprentices, school leavers and graduates. This is a potential cause for concern, although it may chiefly reflect the smaller average size of an entrant this year, as well as the decision of several employers to suspend one or more programmes due to Covid-19.

Yet it is encouraging that, across all three entry routes, record intakes from lower socioeconomic backgrounds have been reported (compared with the previous four years). This may suggest that targeting is improving, or may indicate that some of the sectors newly represented in the Index are more likely to have historically employed individuals from lower socioeconomic backgrounds.

We saw 63% of employers offering internships in 2021, down from 85% in 2020, which may reflect changing hiring patterns due to the longer-term impacts of Covid-19; a number of employers said they had suspended internships for the year. Encouragingly, the number of employers ringfencing internships for young people from lower socioeconomic backgrounds increased to 37% (of firms offering internships, not overall Index participants; up from 29% in 2020).

A significant number of employers are recruiting only from a small number of universities, relative to their size, and it remains true in 2021 that Russell Group applicants have a significantly higher success rate when applying to graduate schemes than their non-Russell Group peers.

Key recommendations

Review the socioeconomic background of each intake, in particular apprenticeships, to ensure that it is having the desired impact and improving the diversity of your recruitment pool

Offer paid, structured internships which involve a rigorous selection process and provide a reference at the end

Ringfence internships for individuals from a lower socioeconomic background (SEB), using a good range of criteria (first generation; FSM; parental occupation)

03 Attraction

The impact of Covid-19 does not seem to have led to a drop in university visits. Around 18% of employers visited more universities in 2021, while 28% visited a similar number to previous years and 15% visited fewer universities. The remaining 39% either did not have graduate schemes, did not visit any universities or chose not to provide data.

Yet, while visits were up, 2021 saw the lowest number of different universities visited in any year since 2017, at 123 (down from 129 in 2020). Cambridge remained the most-visited university, and Oxford and Cambridge were visited more than 64 other universities combined.

While many employers were keen to highlight the benefits of delivering universities visits online, such as lower costs and wider reach, other employers spoke of the difficulties in engaging with universities who did not have the technical capability to deliver virtual visits. This caused long delays to setting up visits and, in some cases, meant that employers were not able to visit certain universities at all.

Many employers said they were likely to move to a hybrid model involving some in-person and some virtual visits. It would be damaging if this leads to a two-tier system where Russell Group universities are visited in person, while other universities must make do with virtual visits.

Key recommendations

Ensure that you achieve a good balance of Russell Group (RG) and non-Russell Group (non-RG) university visits

Track the conversion rate of RG/non-RG applicants to acceptances to ensure that the balance is maintained through the recruitment process, and that it is translating into a more diverse recruitment pool

04 Recruitment and Selection

In 2021, the clear majority of Index employers – 78% – are still recruiting with minimum grade requirements, although it is encouraging that more have at least analysed the rationale for doing so.

Just 25% of employers flagged students with certain socioeconomic background characteristics in the recruitment process; 42% of employers analysed their recruitment processes to see where applicants from low socioeconomic backgrounds fell down; and only 42% of organisations who look at grades during the recruitment process put these into the context of the school or university a candidate attended. These elements are essential to enable employers to identify and challenge recruitment processes that favour more privileged applicants.

A higher number of organisations than previously scored 'being from an under-represented group' on applications (17%), though more organisations were also scoring 'amount of work experience' (35% and 'extra-curricular activities' (7%), which is more disappointing.

Key recommendations

Ensure you have a well-structured non-graduate route

Monitor the recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down

05 Data Collection

Many organisations are not collecting any socioeconomic data about their workforce, with 44% not collecting data from their current employees, 51% not collecting data from new entrants and 65% not collecting data from unsuccessful applicants. Just 22% of employers were publishing data on the socioeconomic profile of their workforce externally – down from 29% in 2020. And only 49% of employers presented their socioeconomic background data at board level, down from 52% last year. Given the importance of collecting data in setting a baseline and measuring progress, this is a concern.

Key recommendations

Collect socioeconomic background data for new and current employees, consisting of at least three data points

Collect socioeconomic background data for unsuccessful applicants to give you an accurate picture of the recruitment process

Publish your data and, to ensure the data set is robust, consider setting completion rate targets

06 Progression, Culture and Experienced Hires

The percentage of organisations collecting data on retention and progression has fallen this year (from 19% in 2020 to 13% in 2021 on retention and from 24% in 2020 to 16% in 2021 on progression). And just 11% of organisations collect and analyse data about pay by socioeconomic background – in line with last year. Collecting this data is vital for organisations to measure and address the extent to which people from lower socioeconomic backgrounds can get on once recruited, so these numbers are disappointingly low.

Figures in this section were down across the board. Just 37% of employers examined whether those from lower socioeconomic backgrounds feel that the culture of their workplace is welcoming to them – down from 47% in 2020. Only 40% of organisations offered targeted buddying/mentoring, down from 48% in 2020, and just 32% provide employee networks, down from 40% in 2020. Only 16% of organisations said that they have a strategy in place for improving retention and progression for employees from low socioeconomic backgrounds.

Key recommendations

Start to collect data on retention and progression at your organisation using socioeconomic metrics

Assess whether your organisation has a class pay gap

07 Advocacy

Twice as many employers reported that their organisational approach to social mobility was being dealt with at board level in 2021 – 20%, up from 10% in 2020.

Advocacy work with clients and suppliers is improving. Around half (49%) of all organisations work with their clients to improve social mobility – the highest percentage in the past four years (7 percentage points higher than in 2020). However, employers continued to report that their clients are more likely to care about the gender or racial diversity of their workforce, rather than socioeconomic diversity. Finally, we saw that 36% of employers now set targets on social mobility, and in most of those cases, the targets are monitored at board level.

Key recommendations

Encourage employees to share their own social mobility stories

Develop and implement a social mobility strategy and publicly advocate for change in your sector

Employee Survey

The Employee Survey was introduced to the Employer Index in 2018.

The survey provides wider context on the workplace culture of submitting organisations in addition to data submitted by their employers but is not compulsory. In 2021, an additional question was added to the four we have asked previously, to determine how accessible employees felt their employer had made remote working to employees from all class backgrounds during the Covid-19 pandemic.

More employers participated in the survey in 2021, although as a percentage of the total only 24% of Index participants took part, compared to 33% in 2020.

This resulted in 12,681 employee responses from 49 employers. another encouraging sign was the average response rate for each employer at 20% (up from 14% in 2020).

The most commonly represented sector was law (32%) followed by the public sector (29%) and professional services (22%). And larger employers were more likely to respond. More than half the organisations with over 10,000 staff took part, compared to just a fifth of organisations with less than 5,000 staff.

It appears that while progress has been made, working-class employees still feel less comfortable than their middle-class peers in the workplace – particularly in the public sector.

However, the relatively low engagement rates must be factored into findings and do not allow us to make definitive conclusions.
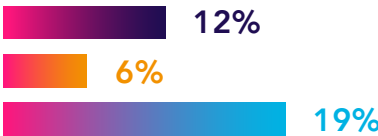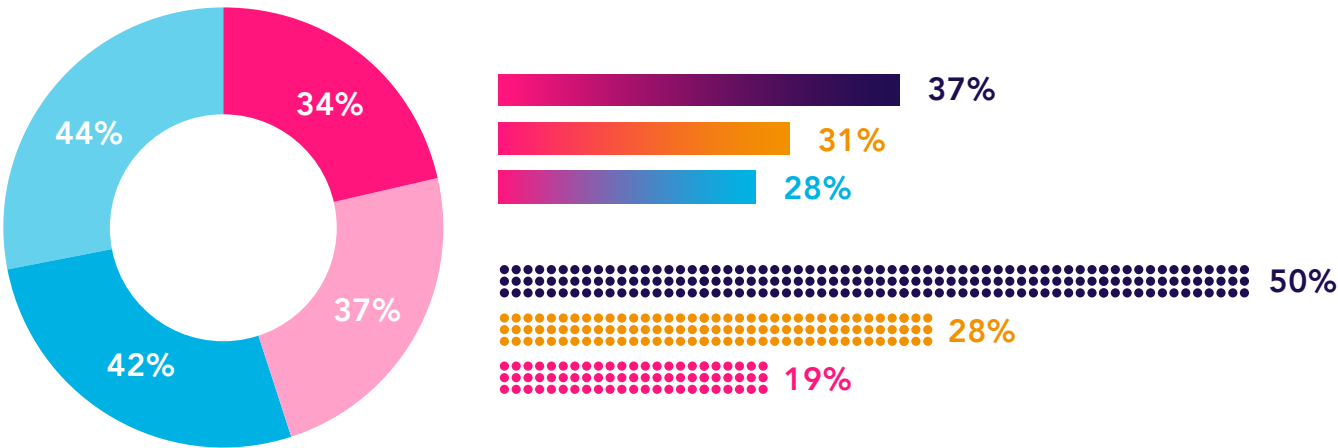
Key Findings

% who responded 'agree'

Legend:
- ■ Working-class backgrounds
- ■ Middle-class backgrounds
- ■ Upper-class backgrounds
- ⠿ Public sector participants
- ⠿ Private sector participants
- ⠿ Third sector participants
- ● 2021
- ● 2020
- ● 2019
- ● 2018

'My organisation is open to talent from all class backgrounds'

- 79%
- 85%
- 84%

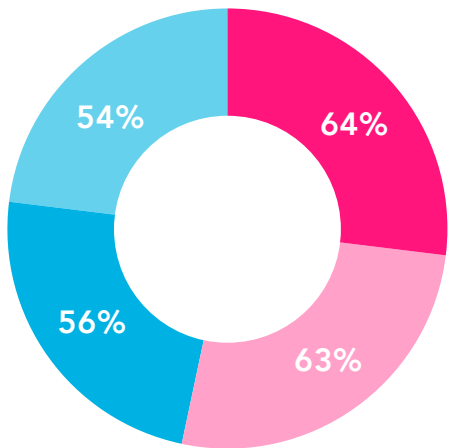### 'I feel I have to hide my class background to get ahead in the workplace'

- 12%
- 6%
- 19%

'People get ahead at my workplace because of who they know'

Donut chart:
- 34%
- 37%
- 42%
- 44%

Bar chart:
- 37%
- 31%
- 28%

Dotted bar chart:
- 50%
- 28%
- 19%

'The workplace culture in my organisation is inclusive of all class backgrounds'

- 56%
- 76%
- 80%

'Our senior leadership is committed to improving the socio-economic diversity of our workforce'
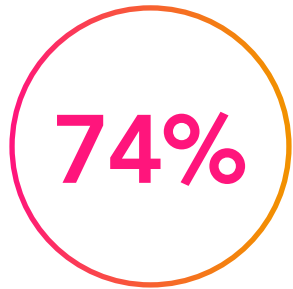
Donut chart:
- 64%
- 63%
- 56%
- 54%

'I have not experienced barriers to career progression in my workplace due to my class background'

- 63%
- 77%
- 72%

New question in 2021:

'My organisation is doing enough to ensure that remote working is accessible to employees of all levels from all class backgrounds during the Covid-19 pandemic'

74%

01
Work with
Young People

This chapter reviews how effectively employers target young people from lower socioeconomic backgrounds, and whether employer outreach provides accessible routes into their profession for those with an interest and the aptitude. **The Index recognises employers that are moving towards well-targeted and well-evaluated employability programmes that are accessible to all.**

This year's results showed an extremely positive rebound in the number of young people reached through employers' outreach activities. More than 5.42 million students benefited from school outreach from 115 organisations. The figure is still down slightly on 2019, where the number was 5.62 million, but is still highly encouraging, compared to the 939,000 reached in 2020 at the height of the Covid pandemic.

Many firms in this year's Index tackled the pandemic by moving to virtual outreach work, with over half moving all outreach work online during the 2021 reporting period. And the trend looks likely to continue after the pandemic. Among organisations that delivered online outreach this year, 89% say they will deliver both in person and online outreach from now on.

It is disappointing that outreach is still not often targeted at social mobility cold spots. These areas have been badly hit by the pandemic and support here can make a huge difference to individuals and help level up the UK, but only 55% of employers in this year's Index are carrying out outreach work in social mobility cold spots – the second-lowest percentage in the last four years.

This year also saw a low percentage of organisations flagging students from their outreach work in their recruitment processes. Only 22% of organisations did so, compared with 35% in 2020 and 49% in 2019. Similarly, only 24% tracked educational outcomes – an 11 percentage point fall compared to 2020, and the second-lowest percentage since the Index started (14% in 2017).

Among those who did flag students, results were very positive; 68% are successful in getting those students into their recruitment pipeline, and 54% are successful getting them into permanent roles. This highlights how successful these outreach pipelines can be, and we urge all Index employers to flag students and track their progress.

This is important because Index entrants are still falling down on a key goal of the outreach process – creating a recruitment pipeline. In this year's Index, just 10% of employers managed to show a direct and sustained link between outreach and recruitment, which is the same as in 2020, and 2 percentage points lower than in 2019. Only 31% of employers were able to demonstrate a relatively strong link, less than in 2020 (35%) and 2019 (36%). We would urge employers to focus on strengthening the link between their outreach and support for young people, and their recruitment programmes.

Case study:
Enterprise Rent-A-Car

Enterprise Rent-A-Car feed data from their work with young people into their applicant tracking system. They gather information from young people when they register for outreach and events, and send them useful employability content and job opportunities, and track them from event to hire.

Enterprise encourages sign-ups to their events by listing them on their careers site, launching targeted campaigns, and working with partner organisations. Everyone registering on the events platform is automatically invited to a virtual drop-in information session with the talent acquisition team, where any employability questions they have can be answered – a process which Enterprise says has led to a 10% increase in conversion from sign-up to application.
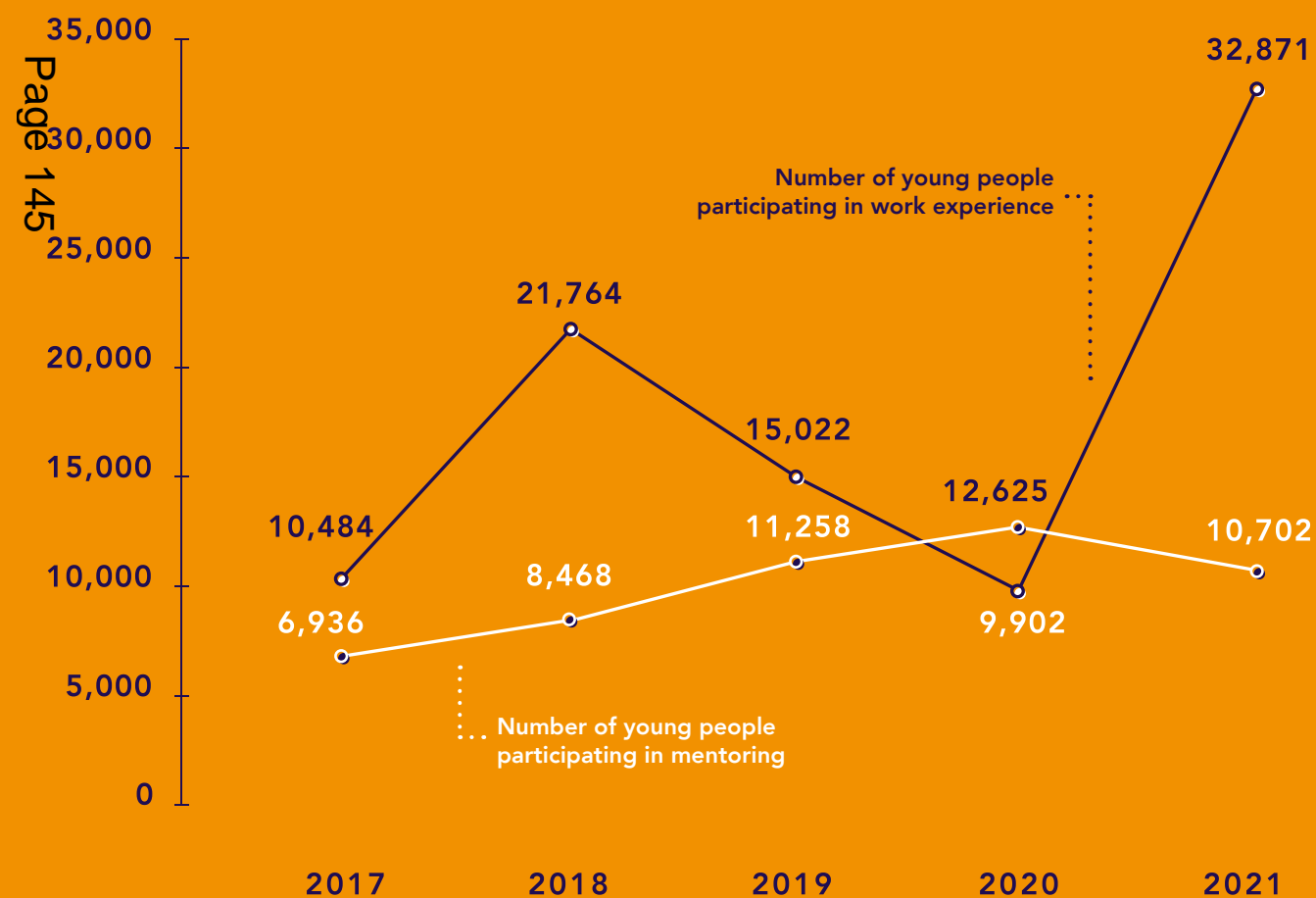
Case study:
Mishcon de Reya

Mishcon de Reya ran virtual events with partners such as the Social Mobility Business Partnership, MyKindaFuture and UpTree, specifically designed to inform students about their apprenticeship programmes. In its events, staff shared application hints and tips, and charity partners followed up with more information, including application deadlines.
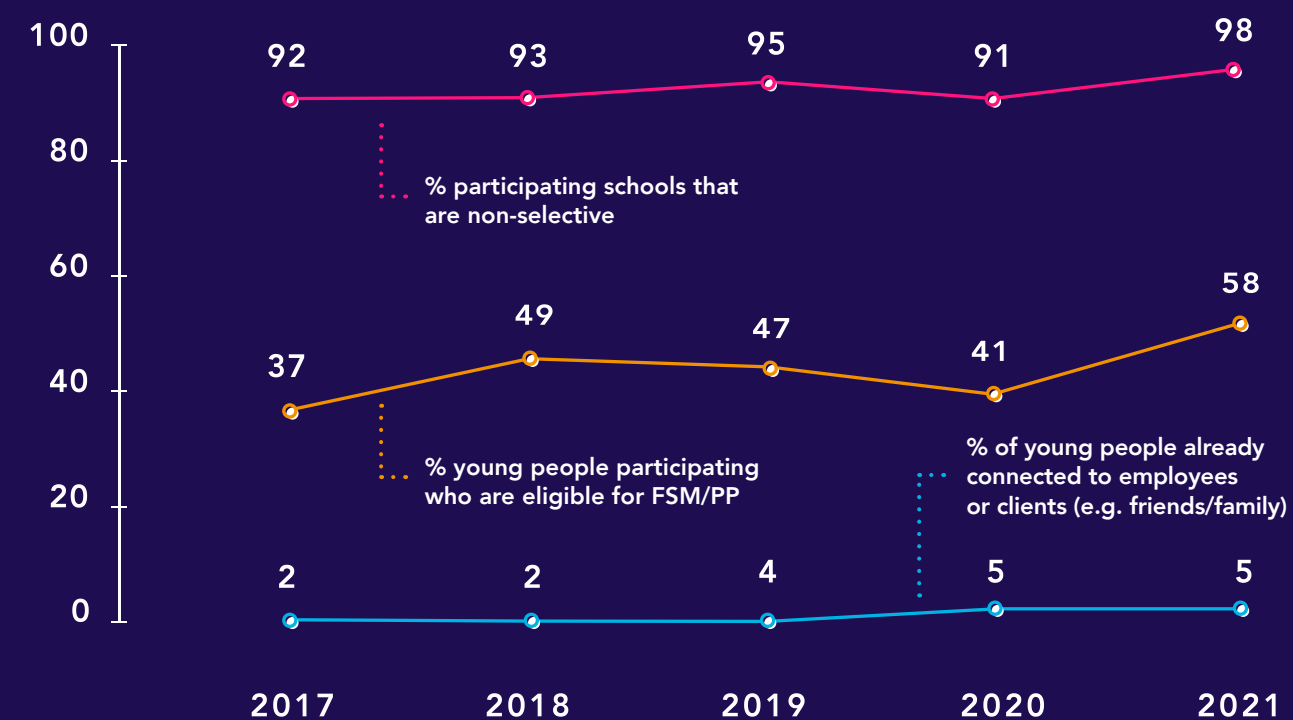
Individuals who didn't get an offer, and were identified as from a lower socioeconomic background, were invited to a mentoring programme which allowed them to work with a Mishcon lawyer and develop a plan for successful applications in the future.

Number of young people reached through mentoring and work experience

Number of young people participating in work experience

Number of young people participating in mentoring

	2017	2018	2019	2020	2021
Work experience	10,484	21,764	15,022	12,625	32,871
Mentoring	6,936	8,468	11,258	9,902	10,702

SEB characteristics of schools and young people participating in outreach activity

% of schools/young people participating in schools outreach by SEB criteria across all orgs who offer school outreach

% participating schools that are non-selective

% young people participating who are eligible for FSM/PP

% of young people already connected to employees or clients (e.g. friends/family)

	2017	2018	2019	2020	2021
Non-selective schools	92	93	95	91	98
Eligible for FSM/PP	37	49	47	41	58
Connected to employees/clients	2	2	4	5	5

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Cold-spot targeting
% of employers targeting cold-spots

52% **61%** **60%** **55%**

| | 2018 | 2019 | 2020 | 2021 |

Y-axis: 70% 60% 50% 40% 30% 20% 10% 0%
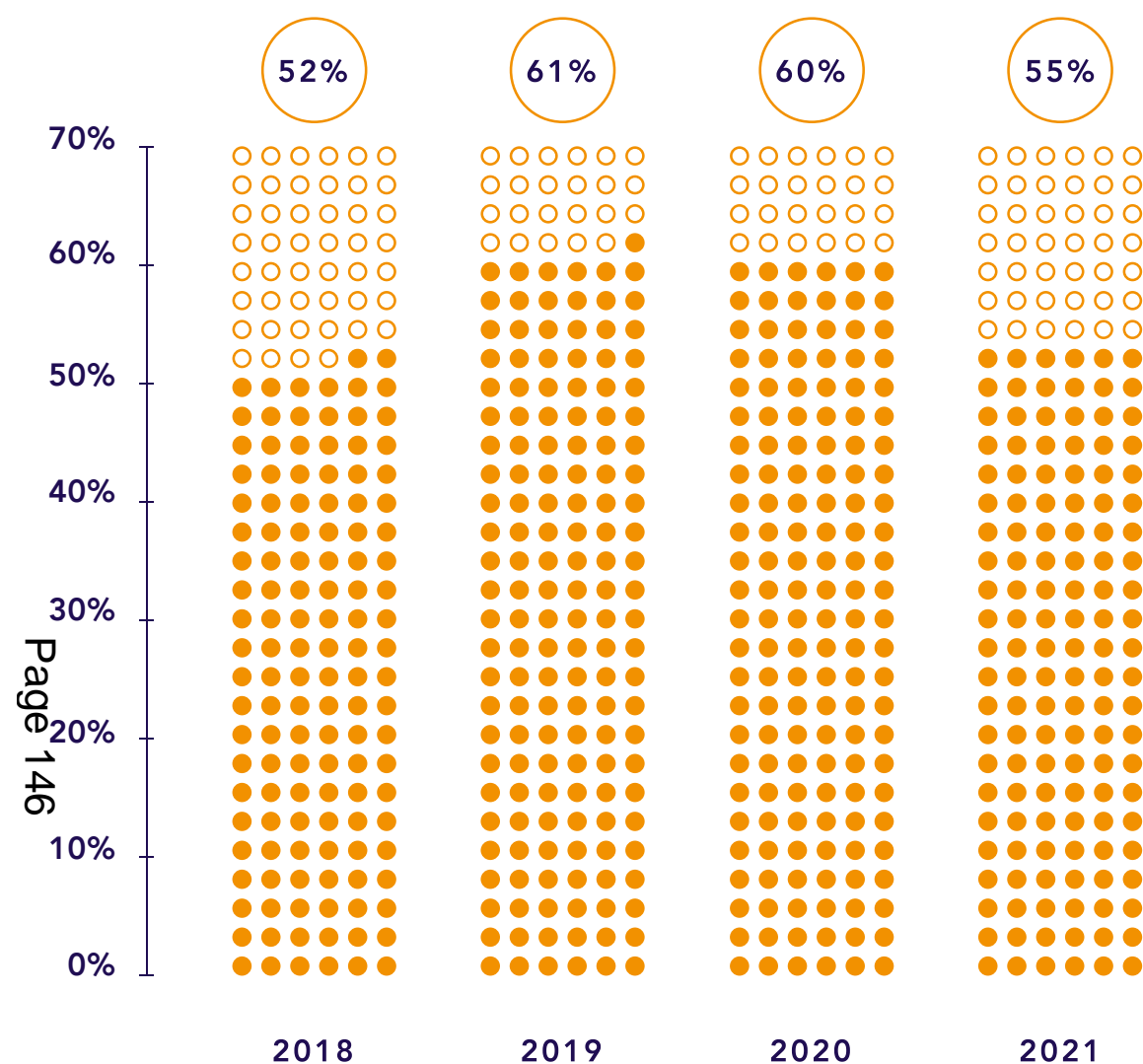
If you only do 1 thing

Implement a more stringent approach to informal work experience placements that opens them to everyone – not just friends and family of existing employees.

Go 1 step further

Link outreach to recruitment through sustained contact, tracking and support.

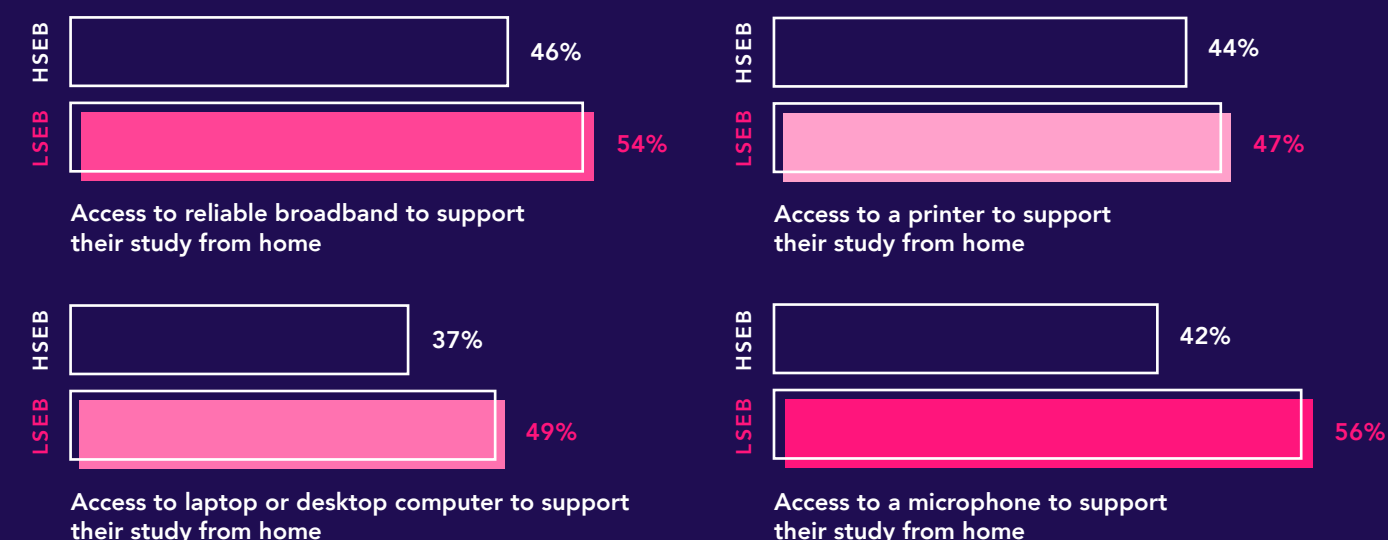## Experiences of education **during Covid-19**

Unheard Voices, a research-led initiative by the Department for Opportunities, established differences in how young people from working-class and middle-class backgrounds experienced learning during Covid-19:

> The pandemic impacted the quality of my education 'a lot'

51% LOWER SOCIOECONOMIC BACKGROUNDS

42% HIGHER SOCIOECONOMIC BACKGROUNDS

Access to equipment and resources that support learning has also been uneven:

HSEB 46%
LSEB 54%
Access to reliable broadband to support their study from home

HSEB 44%
LSEB 47%
Access to a printer to support their study from home

HSEB 37%
LSEB 49%
Access to laptop or desktop computer to support their study from home

HSEB 42%
LSEB 56%
Access to a microphone to support their study from home

02
Routes into the Employer

This chapter details the steps that employers are taking to create well-structured routes into their organisations. These routes should provide parity of esteem between non-graduate and graduate routes. For those who are hired as graduates, Russell Group candidates should not be automatically or unduly favoured in recruitment.

The impact of Covid-19 has been felt disproportionately by students from lower socioeconomic backgrounds. A survey undertaken by the Social Mobility Foundation in January 2021, while schools were closed to the majority of students, found 40% of respondents from its Aspiring Professionals Programme did not have access to reliable broadband at home. Our campaigning and advocacy arm, Department for Opportunities (DO), established a disadvantage gap between working- and middle-class young people's experience of education during the pandemic (see box).

The long-term consequences of this disproportionately adverse impact on less advantaged young people are still being understood. In the immediate future, the widening attainment gap at A level and equivalent means it will be important to consider contextual offers and alternative routes in for the 2022 and 2023 cycle; and employers should continue to consider whether candidates have the resources needed to fully participate in virtual recruitment processes.

University recruitment

While almost all organisations accept degrees from any university (96% of employers with graduate schemes; 70% of all entrants), the average number of universities an employer recruits from fell to 28, compared to 34 in both 2020 and 2019. These figures should be considered in the context of newer entrants to the Index being less established than returning entrants.

Professional services firms performed well on this measure, hiring from 79 universities on average, as did public sector institutions, which hired from an average of 59 institutions. Sectors hiring from fewer universities than average included banking, financial services and insurance (17); law (17); real estate (13); fast-moving consumer goods (9); and the third sector (9).

Competition for places appeared to be fiercer than normal across the board, with success rates for both Russell Group and non-Russell Group graduates dropping by one percentage point in 2021.

The gap between the two groups has somewhat narrowed over the five years the Index has run, but it has not yet disappeared. Russell Group applicants continue to have a higher success rate than their non-Russell Group peers.

This gap was particularly prevalent in law, where Russell Group graduates were three times as likely to be successful as their non-Russell Group peers.
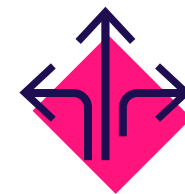
Alternative routes

There was a drop in the number of organisations offering all pathways into employment. Just 80% of organisations offered apprenticeships in 2021, down from 85% in 2020 and 86% in 2019, and only 26% offered school leaver routes, down from 39% in 2020 and 54% in 2019. Similarly, only 76% offered graduate routes, compared to 92% in 2020 and 90% in 2019.

While the pandemic has undoubtedly affected recruitment, it was also encouraging that the targeting of opportunities at lower socioeconomic backgrounds has continued to steadily increase this year. Across all three routes, we have seen record numbers of intakes who are from lower socioeconomic backgrounds, although it is disappointing that the percentage of apprentices from a lower socioeconomic background apprenticeships is not higher, when they are heralded as a golden opportunity for social mobility.

This is further evidence, building on DO research (see box) and the Social Mobility Commission's June 2020 report – which showed a 36% decline in apprenticeship starts by those from disadvantaged backgrounds compared with 23% for others[1] – that there is much room for improvement in how apprenticeships are designed, and how they are targeted to young people from low-income backgrounds. Creating more non-graduate routes must remain a priority for employers.

[1] Social Mobility Commission – Apprenticeships and Social Mobility (June 2020)
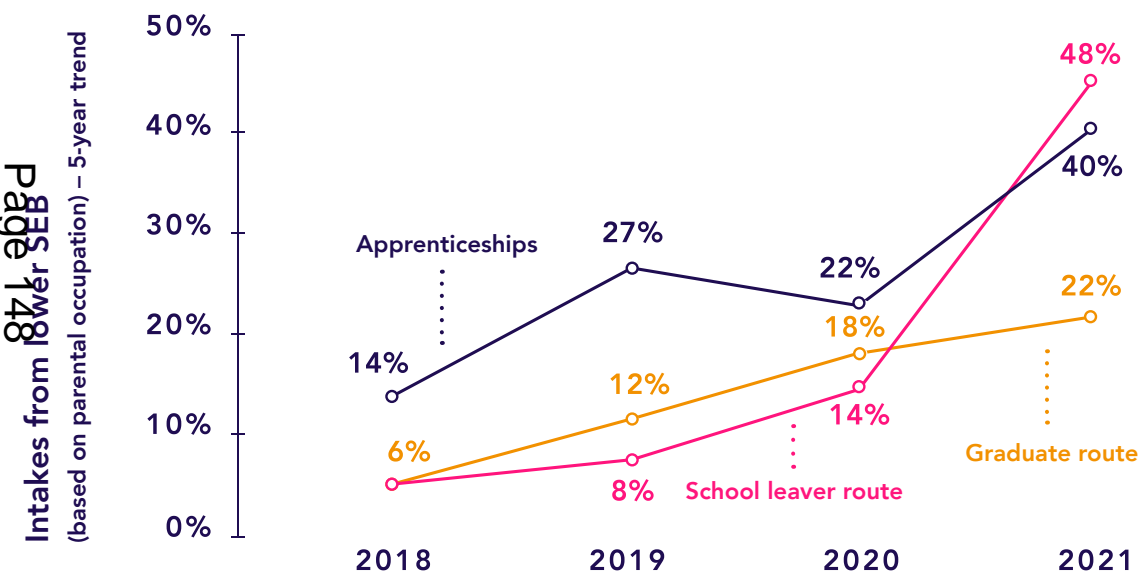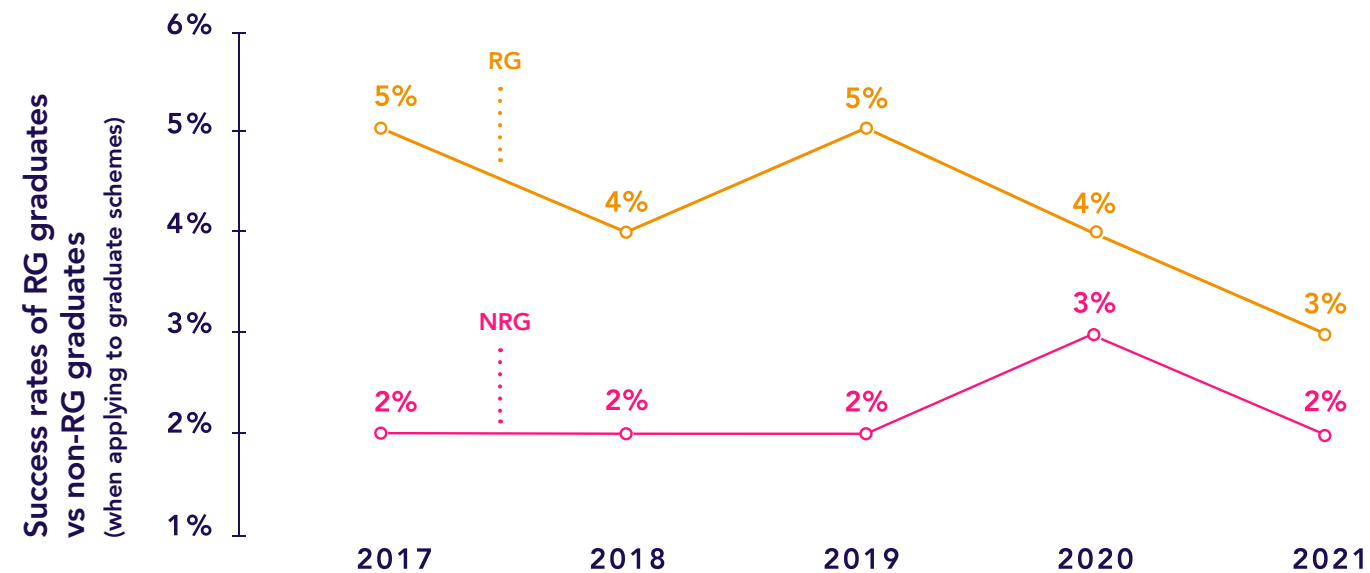
Case study: Grant Thornton

Professional services firm Grant Thornton hired 210 apprentices last year, compared to 194 graduates. All of Grant Thornton's apprenticeships are level 4-7, and 94% are degree level apprenticeships.

Grant Thornton review the socioeconomic background of their apprenticeships on several metrics, including whether the individuals recruited received free school meals or were the first generation in their family to attend university. All apprenticeships offer parity of esteem and opportunity, as apprentices can progress to the same level as graduates.

Chart 1: Success rates of RG graduates vs non-RG graduates (when applying to graduate schemes)

RG
- 2017: 5%
- 2018: 4%
- 2019: 5%
- 2020: 4%
- 2021: 3%

NRG
- 2017: 2%
- 2018: 2%
- 2019: 2%
- 2020: 3%
- 2021: 2%

Chart 2: Intakes from lower SEB (based on parental occupation) – 5-year trend

Apprenticeships
- 2018: 14%
- 2019: 27%
- 2020: 22%
- 2021: 40%

School leaver route
- 2018: 6%
- 2019: 8%
- 2020: 14%
- 2021: 48%

Graduate route
- 2018: 6%
- 2019: 12%
- 2020: 18%
- 2021: 22%

If you only do **1** thing

Ensure you have a well-structured non-graduate route, and offer a pay and progression model for apprenticeships where individuals are rewarded for commitment and performance.

Go 1 step further

Review the socioeconomic background of each intake, in particular apprenticeships, to ensure that it is having the desired impact and improving the diversity of your recruitment pool.

Issue to watch

This year, the steady upward trend in the number of young people receiving mentoring support came to an end. The number fell this year to under 11,000, compared to more than 12,000 in 2020.

2020 MORE THAN **12,000**

2021 UNDER **11,000**
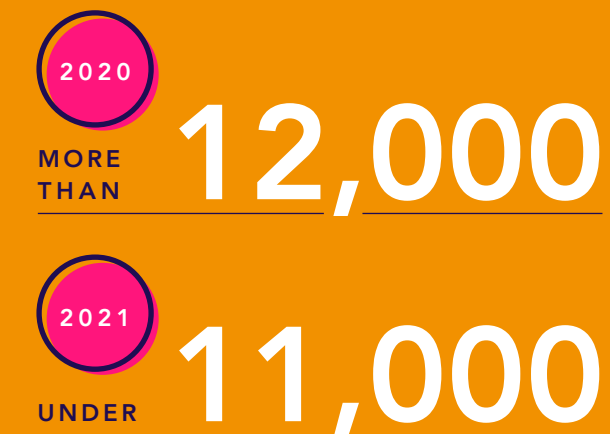
Our Unheard Voices project revealed that LSEB young people (unsurprisingly) value specific careers advice. Mentors and private tutors had the most impact on raising aspirations of these young people. Employers should consider the positive impact mentoring can have and aim to expand this outreach going forward.
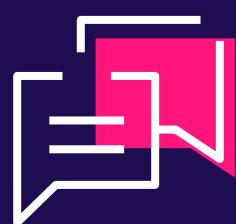
Voice of young people

In 2021, we introduced a question to determine whether or not organisations ensured they had the equipment needed to take part in virtual work experience. It is positive to see that a relatively high number do so – **78%. Of those that provide equipment, 72% offer laptops, 47% offer support headsets and 45% offer Wi-Fi routers.**

Despite low numbers offering Wi-Fi routers, in our recent Unheard Voices survey young people told us that their access to stable internet connections was a more common barrier than not owning a laptop or tablet. Just 46% of those from a lower socioeconomic background had access to reliable broadband to support their studies.

Employers should take this into account to ensure young people have the connection and equipment they need to take part in placements.

Unheard Voices recommendation: **what young people want**

Unheard Voices, a research-led initiative by our campaigning and advocacy arm Department for Opportunities, shows young people from higher socioeconomic backgrounds are now more likely to consider an apprenticeship than their less-privileged peers:

Likelihood to consider apprenticeships or university

HSEB
72%

LSEB
68%

HSEB
55%

LSEB
49%

Likelihood to consider an apprenticeship

Young people planning to attend university
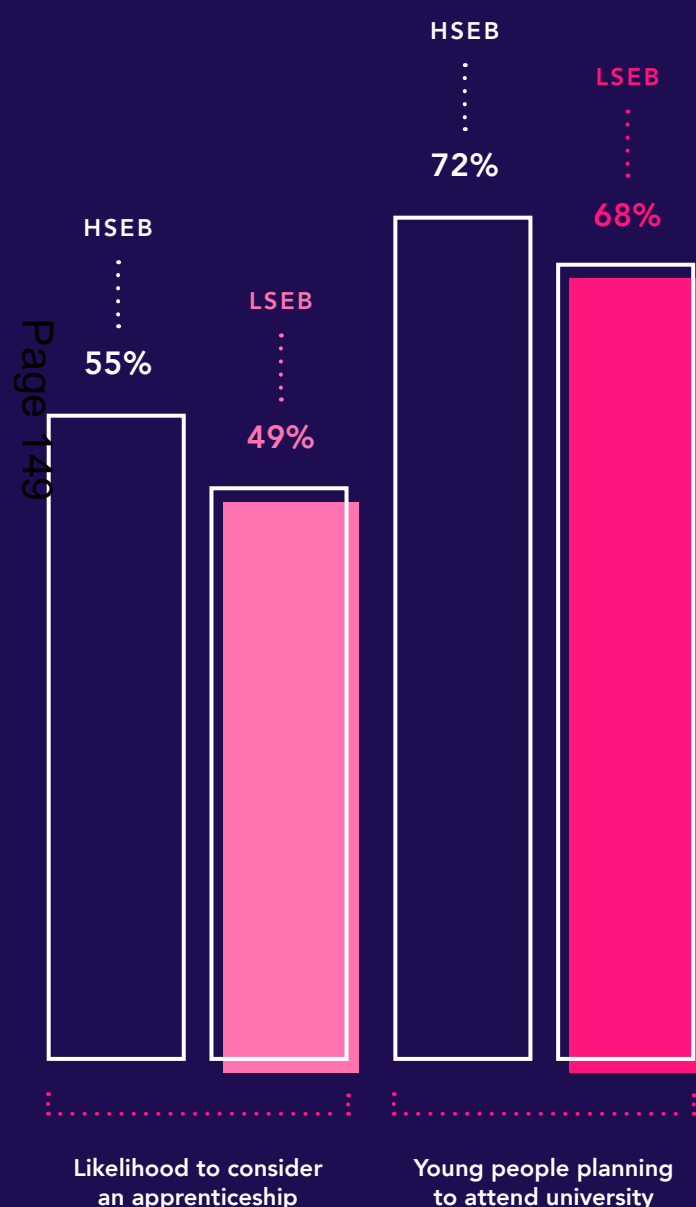
This suggests disadvantaged young people **do not see apprenticeships as a viable route into the top-paying jobs.**

We are also concerned that the uneven distribution of apprenticeships across the country, coupled with the low pay received while training, could mean they are largely unviable to those who cannot live at home or with a family member.

Employers should consider higher- or degree-level apprenticeships to ensure they are viable for those from LSEB offers and target outreach in social mobility 'cold spots'.

03
Attraction

This chapter analyses the extent to which organisations recruiting graduates seek to attract applicants from universities outside the Russell Group.
The Index rewards employers that make an active effort to diversify their attraction methods, ensuring they reach those from lower socioeconomic backgrounds.

Covid-19 had a significant impact on university outreach in the 2021 Index reporting period, with overall numbers down across the board. Index employers collectively visited 123 different universities. This is the lowest number since 2017. They also, on average, individually visited fewer universities than in previous years: just 47 in 2021, compared with 84 in 2020 and 72 in 2019.

Most organisations moved their university visits online due to Covid-19 restrictions, although some still managed to deliver face-to-face visits; a small number of employers did not have any contact with universities in the 2021 reporting period.

One piece of good news was that the proportion of visits to Russell Group universities fell again this year, by one percentage point, to 53% of all visits. This is a positive sign, since Russell Group universities are less likely to be attended by young people from a lower socioeconomic background, and it appears employers are acting positively on our advice to diversify the types of universities they visit. Despite this, however, outreach to Oxford and Cambridge remains disproportionately high. These two universities were visited more than 64 other universities combined in 2021. Cambridge was once again the most visited university.

Of the 124 organisations that delivered virtual university visits, 70% said they intended to return to a mix of in-person and virtual visits, while 10% of organisations said they would mainly run in-person university visits. A further 6% said all of their university visits will remain online, and 15% said they did not know their approach going forward as yet.

We believe a blend of face-to-face and virtual could help increase the number and reach of universities visited, whilst also offering the vital real-life experiences that face-to-face outreach offers. Yet we are concerned that 72% of all visits to non-Russell Group universities were online, compared to 52% for Russell Group universities. Where a hybrid model is implemented, caution must be taken to ensure it is not only Russell Group universities that benefit from the enhanced experience of face-to-face delivery.

Case study:
MI5, MI6 and GCHQ

'Attraction' is not just about numbers; ensuring there is a good ratio of outreach visits to both Russell Group and non-Russell Group universities is an important first step, as this often translates into greater diversity in the application pool. MI5, MI6 and GCHQ recognised their graduate schemes already received significant applications from the Russell Group, and far less from non-Russell Group universities.

In 2020 the Intelligence Agencies made a decision to broaden outreach activity, using HESA data to identify the institutions with the highest representation of students from lower socioeconomic backgrounds and focus the investment of outreach resources at these universities. Numerous virtual events were held at institutions including Bradford University, University of East London and Northumbria University to attract a wider and more diverse range of students and encourage them to consider a career with the Agencies.

Five-year trend
Visits to Oxbridge vs. all other universities

	2017	2018	2019	2020	2021
Oxbridge	89%	93%	92%	94%	94%
All Others	11%	7%	8%	6%	6%
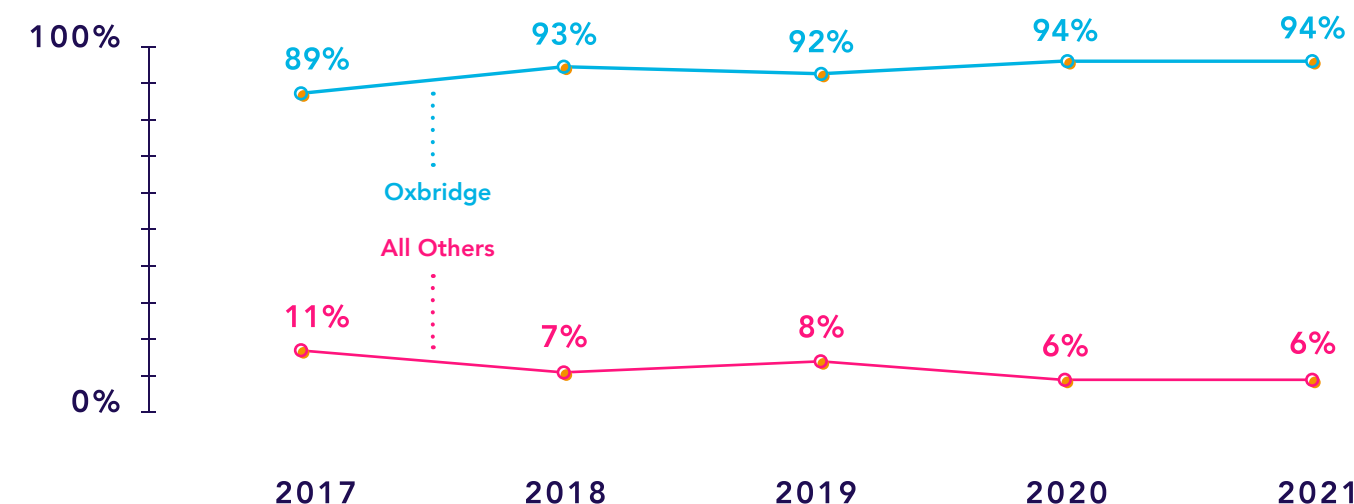
If you only do 1 thing
Ensure that you achieve a good balance of Russell Group and non-Russell Group university visits.

Go 1 step further
Track the conversion rate of Russel Group/non-Russell Group applicants to acceptances to ensure that a balance between the two is maintained through the recruitment process, and that it translates into a more diverse recruitment pool.

04
Recruitment and Selection

This chapter examines recruitment and selection processes which, too often, reward 'polish' – which is commonly associated with applicants from more privileged backgrounds – over potential. The Index recognises employers that implement clear measures to address this. There are two main categories of action: a) removing barriers that prevent individuals from lower socioeconomic backgrounds progressing to selection; and b) rewarding current ability and future potential over past academic performance.

The typical recruitment and selection process is at risk from elements of class bias, which puts young people from lower-socioeconomic backgrounds at a disadvantage in comparison to their more privileged peers. For example, research carried out last year by Accent Britain showed that job candidates with a Received Pronunciation (RP) accent were seen as more informed and more suitable for professional employment, even when speakers of other accents gave identical answers[1].

Recruitment models still place too much emphasis on academic performance and university attended, again strongly associated with higher socioeconomic background, rather than potential to excel in the role being recruited for; in 2021, 78% of Index employers still had minimum grade requirements. This figure has remained consistent across several years, although most employers do now offer a rationale to explain why they have chosen those particular grades.

When scoring applications, it is positive to see more employers positively scoring being from an under-represented group within the organisation's workforce (17%, up 10 percentage points) this year. Yet we also saw more employers scoring degree subject (19%, up 7 percentage points) and amount of work experience (35%, up 8 percentage points) which could put lower socioeconomic background young people at a disadvantage.

Employers should consider a targeted process to remove these barriers, and some employers are starting to do so; 25% of employers flagged students with certain socioeconomic backgrounds characteristics in the recruitment process, 42% analysed their recruitment processes to see where applicants from low socioeconomic backgrounds fell down, and 32% take a second look at candidates from lower socioeconomic backgrounds to check there was no context missed.

Blind recruitment, which involves the removal of personal indicators, is an opportunity to protect against bias. A growing number of employers are removing applicant names from an application, with 48% doing so this year, compared to 46% last year and 35% in 2019. Similarly, 38% are removing grades, up 37% from last year.

However, the number of employers removing candidates' universities fell to 40% from 46%. This is bad news, because where universities are visible recruiters tend to favour Russell Group universities, which tend to have less diverse student bodies.

[1] Accent Bias in Britain – Attitudes to Accents in Britain and Implications for Fair Access (2020): https://accentbiasbritain.org/wp-content/uploads/2020/03/Accent-Bias-Britain-Report-2020.pdf

Case study: Severn Trent

Water company Severn Trent carried out a review and redesign of its early careers recruitment processes in the last year, looking at the performance of recent recruits to understand how they were performing against the company's values.

As a result, the company removed two of the nine core strengths from the recruitment framework, including removing a focus on business affinity and commercial awareness, which they expect to create an even playing field for recruits from lower socioeconomic backgrounds.

Case study: Pinsent Masons

When recruiting graduates or apprentices, it helps to understand the context in which they have obtained their grades and the barriers they may have faced along the way.

Law firm Pinsent Masons uses the Rare Contextual Recruitment system, which looks at socio-economic, personal and academic flags, including whether an individual received free school meals, was in the first generation of their family to attend university, worked a high number of part-time hours while studying or grew up in local authority care.
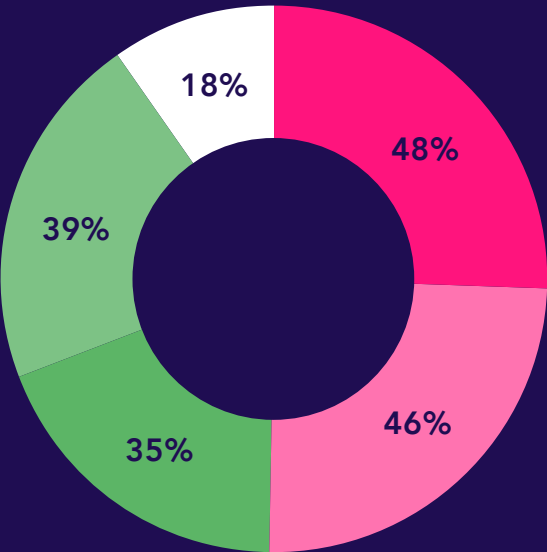
Understanding a candidate's academic record, their extra-curricular achievements and work experience in the context of individual circumstances better enables employers to level the playing field when considering applicants for assessment. The Rare system also awards candidates a performance index ('PI') score based on how they have academically outperformed their school peers (attending the same school).17 Rare candidates will join the firm in 2022 and each have one flag or more and/or a PI score over 30.
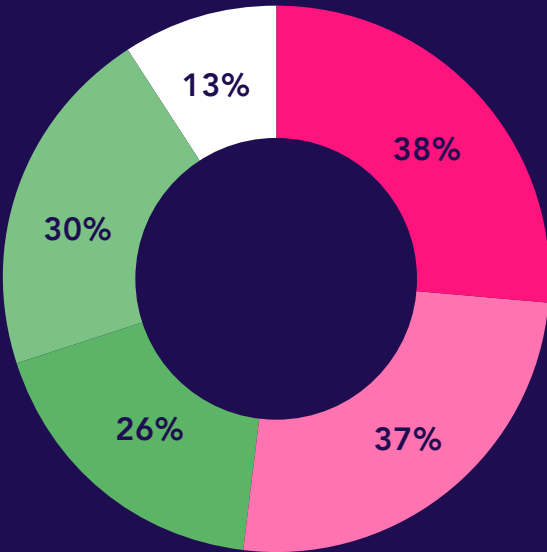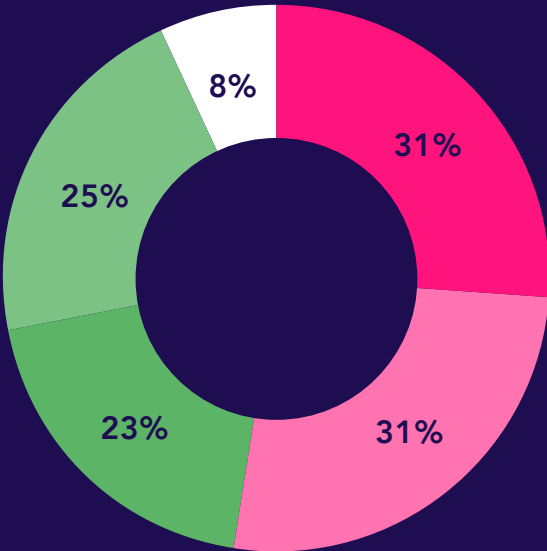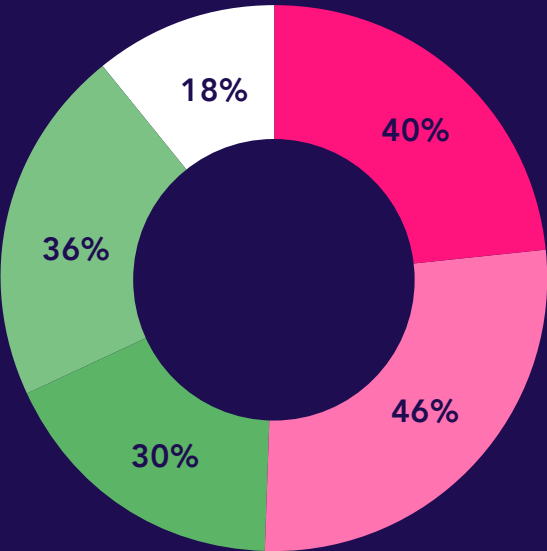
Blind recruitment across five years

Removing name

- 48% (2021)
- 46% (2020)
- 35% (2019)
- 39% (2018)
- 18% (2017)

Grades

- 38% (2021)
- 37% (2020)
- 26% (2019)
- 30% (2018)
- 13% (2017)

University

- 40% (2021)
- 46% (2020)
- 30% (2019)
- 36% (2018)
- 18% (2017)

All 3

- 31% (2021)
- 31% (2020)
- 23% (2019)
- 25% (2018)
- 8% (2017)

Legend:
- ● 2021
- ● 2020
- ● 2019
- ● 2018
- ● 2017

Grades put in the context of school or university across five years

% of organisations contextualising grades

No (green line):
- 2017: 64%
- 2018: 67%
- 2019: 71%
- 2020: 53%
- 2021: 58%

Yes (pink line):
- 2017: 36%
- 2018: 33%
- 2019: 29%
- 2020: 47%
- 2021: 42%
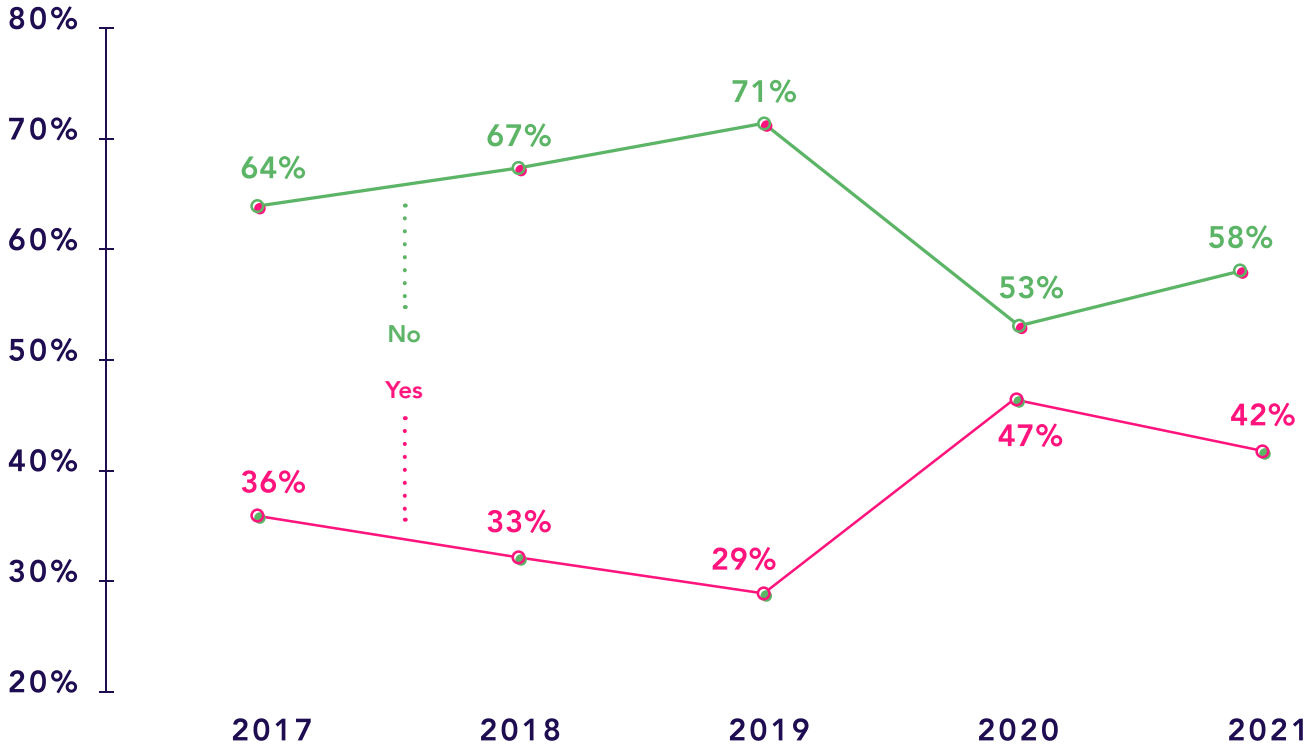
If you only do 1 thing

Flag candidates with certain socioeconomic background characteristics in the recruitment process.

Go 1 step further

Monitor the recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down.

05
Data Collection

This chapter examines the extent to which employers collect and analyse data to understand their workforces' socioeconomic profile.
The Index recognises companies who collect data and rigorously analyse it, using the insights it gives them to improve their diversity.

For employers to develop a realistic social mobility strategy, they need to first understand their current context; it is vital to have a clear picture of the socioeconomic background of the existing workforce, and that requires effective data collection.

We have seen improvement in socioeconomic data collection over the five years the Index has run, yet with the significant growth in participation in 2021 we have seen a decrease in the overall proportion of employers collecting data, which reflects that employers earlier on in their social mobility journey are not prioritising data collection as a vital starting point.

51% of employers did not ask any socioeconomic background questions of their new entrants, and 44% of employers are not asking any socioeconomic background questions of their current employees. The Social Mobility Commission's data toolkit[1] recommends that employers administer an annual diversity survey as a method of collecting socioeconomic background data on their workforce. In 2021, 53% of Index entrants did this. Those without data will not understand the location and scale of the social mobility issues that need tackling, which makes prioritisation difficult, and therefore we have urged all participants to start data collection as soon as possible.

Completion rates of these surveys are on a downwards trend: 61% in 2021, 60% in 2020, 72% in 2019, 80% in 2018, and 82% in 2017; though this must be considered in the wider context of new entrants who may have only started to embed a culture of socioeconomic data collection recently.

In 2021, 22% of employers were publishing data on the socioeconomic profile of their workforce externally – down from 29% in 2020.

Meanwhile 49% of employers presented their socioeconomic background data at board level, compared to 52% in 2020, although the five-year trend is broadly positive on this issue.

Collecting data is the vital first step in creating more inclusive workplaces, revealing the location and scale of the problems that need tackling. We urge all employers to consider data collection as a priority area for 2022. This may require close collaboration with HR given internal processes and systems must support data collection. Comprehensive guidance has been provided to participating employers and non-participants should review the Social Mobility Commission toolkits[2].

[1] https://socialmobilityworks.org/toolkit/data/
[2] The Commission also provides useful guidance on encouraging employees to disclose data

Case study:
HM Revenue & Customs

This is the second year that the annual Civil Service People Survey has included standard questions on socioeconomic background, and this year, HMRC was able to look much closer at what the data showed about the overall make-up of the organisation, at every grade and across all their locations. The information has been shared with regional leads and is being used to review and inform future strategy.

HMRC is now also capturing this data on their HR system. They collect five data points on existing staff, such as type of school attended, eligibility for Free School Meals, parental occupation during childhood and highest parental qualification. HMRC also collects data on both new hires and unsuccessful job applicants.

% of employers collecting SEB data

NEW ENTRANTS

Type of school attended
- 44%
- 58%

Type of school attended with 'state school' broken down into selective and non-selective
- 40%
- 48%

Parental occupation
- 25%
- 31%

Eligibility for Free School Meals/Pupil Premium
- 36%
- 49%

Whether or not parents attended university
- 39%
- 55%

Postcode during secondary education
- 13%
- 17%

2020

2021

CURRENT EMPLOYEES

Type of school attended
- 49%
- 56%

Type of school attended with 'state school' broken down into selective and non-selective
- 47%
- 54%

Parental occupation
- 38%
- 37%

Eligibility for Free School Meals/Pupil Premium
- 34%
- 38%

Whether or not parents attended university
- 46%
- 58%
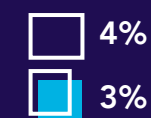
Postcode during secondary education
- 4%
- 3%

2020

2021

If you only do 1 thing

Collect socioeconomic background data for new and current employees, consisting of at least three data points.

Go 1 step further

Publish your data and, to ensure the data set is robust, consider setting completion rate targets.

06

Progression, Culture and Experienced Hires

This chapter examines how employers measure the social mobility of their existing employees and the strategies being undertaken to create an inclusive workplace culture. Social mobility is not just about individuals from lower socioeconomic backgrounds getting in and starting a new career; it is equally about having the ability to flourish and progress at work.

Only 10% of those from working-class backgrounds make it into Britain's higher professional and managerial occupations, according to The Class Ceiling (Sam Friedman and Daniel Laurison, 2019).

Yet even when those from lower socioeconomic backgrounds make it through the doors, progression is still an issue, as highlighted in research by Bridge Group which found in 2020 that employees in financial services from lower socioeconomic backgrounds progress 25% more slowly than their peers, with no link to performance.

Similarly, research by the Social Mobility Commission finds that those from poorer backgrounds are still paid an average of £2,242 (7%) less. In some instances, the class pay gap is as high as £6,800 (17%).

The percentage of organisations collecting socioeconomic background data on retention has fallen to 13% in 2021, from 19% in 2020. For progression it has fallen to 16% from 24%, and on pay it is unchanged at just 11%.

While there is scope for improvement on data collection, there has been a welcome increase in the proportion of employers focusing on the inclusivity of their leadership. 42% of organisations offered diversity awareness training with a focus on social mobility. 87% of these organisations provided training specifically for managers and leaders.

There were fewer organisations offering buddying and employee networks (of those from similar backgrounds) this year, though there has been a positive five-year trend of more and more organisations offering support with passing exams, as well as mentoring and leadership programmes to encourage progression.

Case study: KPMG

Professional services firm KPMG has said it will aim for 29% of partners and directors to be from lower socioeconomic backgrounds by 2030, using a measure based on parental occupation.

Currently 23% of the firm's partners and 20% of its directors are from a lower socioeconomic background. The group will launch new recruitment programmes, as well as mandatory training for all its 16,000 staff.
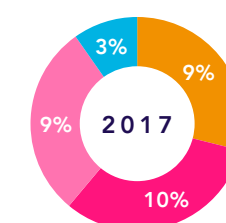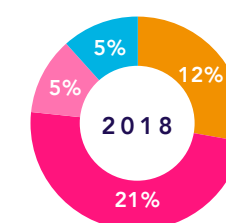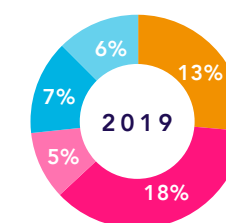
KPMG's commitment to progression is particularly pleasing because it is not just measuring progression, but also making the data and commitment public.

Case study: PwC

Professional services firm PwC is also taking actions to close pay gaps for people from lower socioeconomic backgrounds, and plans to introduce targets for headcount by grade, similar to targets the firm already has in place for gender and ethnicity.

PwC revealed a 12.1% median socioeconomic background pay gap this year – the first time it has measured this figure. It now has disclosure on background from 80% of employees and has used this to build a picture of pay differentials, as well as finding that 14% of staff reported themselves to come from a lower socioeconomic background. It has published an action plan to increase social mobility across the employee lifecycle.
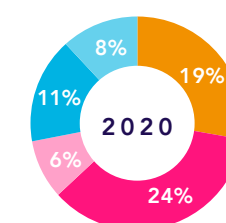
Collecting socioeconomic background data across five years

2020: 19% / 24% / 6% / 11% / 8%
2019: 13% / 18% / 5% / 7% / 6%
2018: 12% / 21% / 5% / 5%
2017: 9% / 10% / 9% / 3%
2021: 13% / 16% / 3% / 11% / 7% / 2%
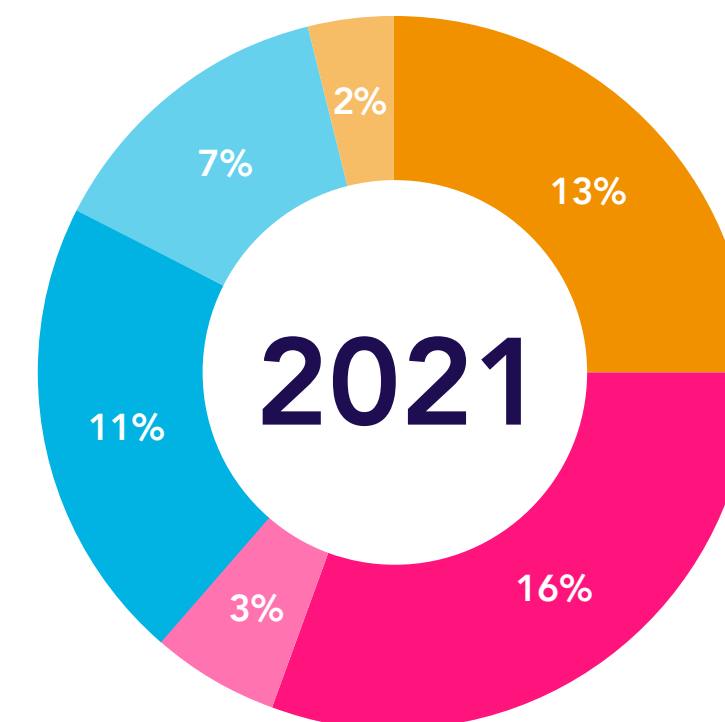
- Retention
- Progression
- Professional qualifications
- Pay
- Appraisal grades
- Take up of training

Support provided by employers to new starters (since 2018)

Buddying
Or mentoring

Exam support
Support with passing the required qualifications

Employee network
Network of employees from similar backgrounds

Mentoring
Leadership programmes to encourage progression

Buddying:
- 2018: 37%
- 2019: 30%
- 2020: 48%
- 2021: 40%

Exam support:
- 2018: 19%
- 2019: 14%
- 2020: 14%
- 2021: 17%

Employee network:
- 2018: 21%
- 2019: 26%
- 2020: 40%
- 2021: 31%

Mentoring:
- 2018: 25%
- 2019: 20%
- 2020: 31%
- 2021: 32%

Legend:
- 2018
- 2019
- 2020
- 2021

If you only do 1 thing

Start to collect data on retention, progression and pay at your organisation using socioeconomic metrics.

Go 1 step further

Assess whether your organisation has a class pay gap and publish this data.

07
Advocacy

This chapter reviews the advocacy work that organisations do to improve social mobility. Those who perform highly in this section are the employers who take action to engage staff, suppliers and clients in their efforts. As the UK continues to recover from the economic damage of Covid-19, it is vital for organisations to raise awareness that the pandemic has had an outsized adverse impact on those from lower socioeconomic backgrounds.

It is pleasing to see that more and more employers are putting the focus on advocacy within their organisations. In 2021 there was a 10 percentage point increase in the number of employers who said their approach to social mobility was dealt with at board level, up to 20%, while a further 41% said it was dealt with at executive level, up from 40% the previous year. This is excellent news, particularly in the context of the overall increase in Index participation, because senior buy-in is crucial to success, and we would like to see social mobility prioritised at the highest level of the organisation.

Employers also put more focus on encouraging employees to share personal stories via blogs and networks, with 70% doing this – up from 69% in 2020 and 62% in 2019. And employers were not just working with their own employees, but also with external clients and suppliers. This year, 49% of employers said they worked with clients to improve social mobility, up from 42% last year.

However, firms said their clients were more likely to care about gender and racial diversity than socioeconomic diversity. And there was also a fall in the number of employers who said clients cared about socioeconomic diversity, down to 74% from 86% the year before. Ensuring that the intersectionality of social class with other forms of disadvantage is better understood, and efforts on workplace inclusion address this intersectionality, will be crucial to enabling employers to continue making progress on social mobility.

Case study: Mears Group

Housing and social care provider Mears Group works with clients to gain contractual commitments with a focus on improving social mobility. Mears Group contract work in Rotherham, for example, prioritised social value by investing in the people and community in the form of apprenticeships, work placements, community work, school engagement and recruitment approaches.
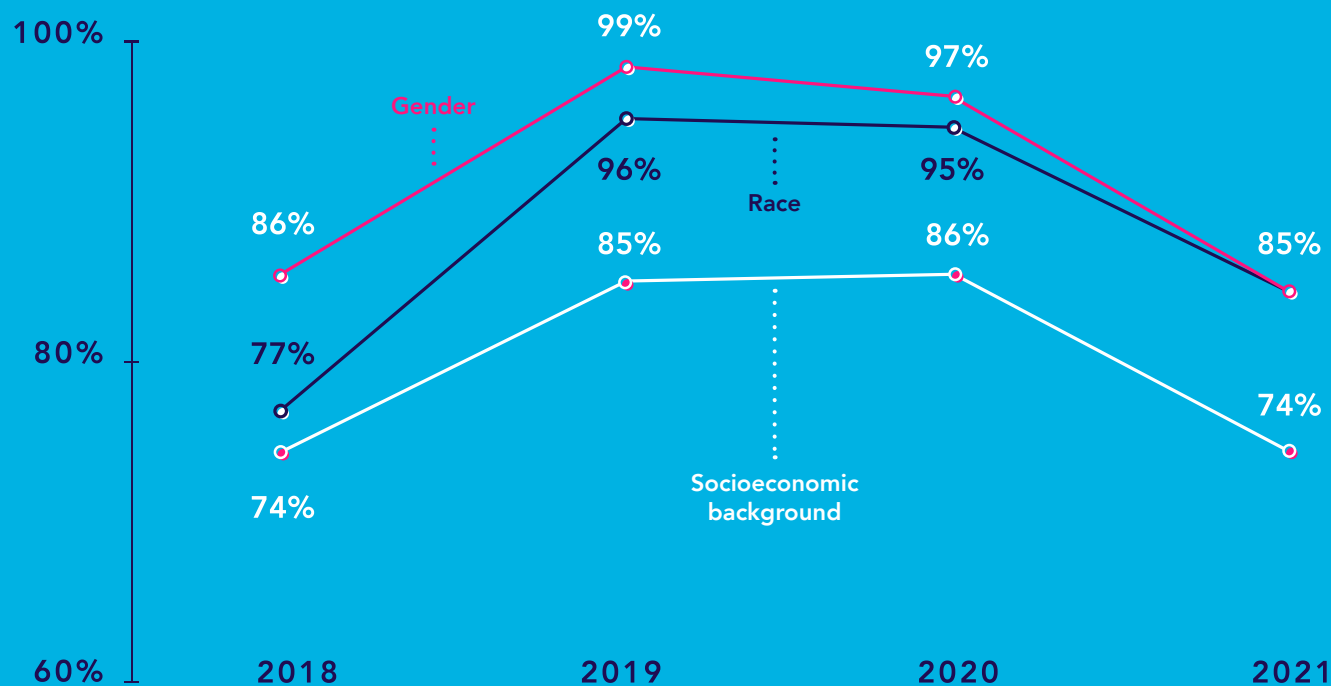
Case study: MediaCom

MediaCom, a specialist media communications firm, last year launched an initiative to make sure that its campaigns and partnerships featured a diverse set of voices which were reflective of the community we exist in. The Inclusive Planning campaign involves an internal steering committee to act as internal consultants and role model behaviours. MediaCom works closely with charities and others who act as a voice for underrepresented groups, and works with all clients to ensure that this Inclusive Planning approach, including a focus on social mobility, is included in all campaigns.

Employers encouraging personal stories of social mobility

2021 70% **2020** 69% **2019** 62%

Client interest

% that feel their clients care about SEB diversity vs. race vs. gender

- Gender: 86%, 99%, 97%, 85%
- Race: 77%, 96%, 95%, 85%
- Socioeconomic background: 74%, 85%, 86%, 74%

(2018, 2019, 2020, 2021)

Work with government on social mobility

IN 2021

28% of organisations worked with local government

7% worked with a devolved government

33% worked with the UK government

If you only do 1 thing
Develop an internal advocacy strategy and encourage employees to share their own stories.

Go 1 step further
Leverage your position within the supply/value chain to encourage clients and suppliers to take action on social mobility. You could run joint initiatives within existing partners and embed social mobility considerations in your future procurement work.

Appendix A

Index Methodology

The Social Mobility Employer Index is comprised of two elements: questions that employers answer using qualitative and quantitative data; and an employee survey which was introduced in 2018.

The former assesses employers' work across seven areas: their work with young people, routes into the employer, the attraction of staff, recruitment and selection, data collection, progression of staff and experienced hires and advocacy. The latter is to add insights and contextualise the data provided in submissions. Employers are then benchmarked against one another based on the results.

The Index questions are based on research from the Social Mobility Commission and the leading academics working in this field. It has also been developed in consultation with, and following feedback from, the following advisory groups and individuals:

The Bridge Group

Stonewall

The Institute of Student Employers

Dr Louise Ashley, Royal Holloway, University of London

Claire Tunley, Head of Employability at City of London Corporation

Working with any of these organisations or individuals does not give an employer any undue advantage in the Index process.

Since the inception of the Index, some questions have been refined and others that investigate internal culture and intersectionality have been added. In 2021, additional questions relating to the impact of Covid-19 were introduced to contextualise this year's submissions. For key questions, organisations are asked for several years of data in order to assess the impact of measures being taken.

Index submissions are considered and marked against the latest empirical evidence of what interventions effectively advance socioeconomic equality in the UK workplace. Our approach is rigorous and ensures a fair process, recognising that different sectors and individual businesses do things differently.

1. **Identifying a broad range of questions** that interrogate the various ways in which employers can contribute to socioeconomic equality.

2. **Weighting responses based on the evidence** that some areas have more impact on socioeconomic equality relative to others. For example, there is substantial evidence that providing work experience placements for young people is more impactful than general outreach; and that some approaches to recruitment lead to more equal outcomes compared to others.

3. **Weighting whole sections of the marking scheme** based on where maximum impact can be delivered. Within each section, every organisation is then categorised within a decile, so that modest differences in scoring do not then significantly affect the overall ranking.

4. **Recognising that not all organisations will score marks for each question.** For example, they may not have formal graduate recruitment programmes because of their size. Therefore, organisations are ranked based on the percentage of available marks they have achieved.

Please note that data is presented in the report as a percentage of the overall submissions, unless otherwise stated. The sample size and profile of entrants is markedly different in 2021 compared to previous years. There were 203 entrants to the Index in 2021 compared to 119 in 2020, with 93 employers entering for the first time. The analysis was based on 201 organisations, excluding two organisations who chose to remain anonymous from analysis.

On average, first-time entrants in 2021 were smaller than returning entrants with an average workforce of around 4,000 staff, compared to almost 9,000 staff for returning entrants. It is therefore important to consider any year-on-year comparisons in the context of these changes.

Appendix B

Employee Survey Questions

Job level (e.g. Manager):

<div style="border:1px solid"> </div>

Type of school attended:

☐ Non selective state school (Comprehensive)
☐ Selective state school (Grammar or selective on faith)
☐ Private school
☐ Non-UK school
☐ Other
☐ Prefer not to say

I would consider myself to be from a:

☐ Working-class background
☐ Middle-class background
☐ Upper-class background

Are you aware that your organisation does any work on improving socioeconomic diversity in your organisation?

☐ Yes
☐ No

Are you personally involved in any work relating to social mobility or improving socioeconomic diversity in your organisation?

☐ Yes
☐ No

My organisation is open to talent from all class backgrounds.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

I am comfortable openly discussing my class background with my colleagues.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

I feel I have to hide my class background to get ahead in the workplace.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

People get ahead at my workplace because of who they know.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

The workplace culture in my organisation is inclusive of all class backgrounds.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

I feel out of place at work as I don't have the same background as the majority of employees.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

I have not experienced barriers to career progression in my workplace due to my class background.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

Our senior leadership is committed to improving the socioeconomic diversity of our workforce.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

My organisation is doing enough to ensure that remote working is accessible to employees of all levels from all class backgrounds during the Covid-19 pandemic.

☐ Agree
☐ Disagree
☐ Not sure / Prefer not to say

Interested in joining the
Social Mobility Employer Index 2022?

———

We would love to hear from you.
Please email the team at employerindex@socialmobility.org.uk

Social Mobility Employer Index 2021

Submission Feedback

Prepared by The Social Mobility Foundation

September 2021

Introduction

Thank you for making a submission to the Social Mobility Employer Index 2021. Below is your individual feedback report which highlights where your organisation is performing well, benchmarks you against other organisations and suggests areas for improvement. For further context on this report, please also read the main Index Key Findings report, which will be published in November.

In the interest of fair and consistent treatment, we have assessed each employer based on the information we have received in this year's submission only; generally speaking, we have not compared this submission with any data received previously but have taken notice where organisations have explicitly highlighted improvements on last year or have provided data from previous years.

We recognise that the last year has been an extraordinary year for many employers. As we look to analyse the impact of Covid-19 on social mobility, it is important to hear how the pandemic has affected your organisation and the adaptations you have needed to make to your work on improving social mobility. The insights you have provided will help us to establish what best practice is in the 'new normal', as well as informing us where more needs to be done to improve social mobility across the UK.

Please note that we will not be publishing previous years' rankings alongside the 2021 ranking and so if your organisation is ranked lower than in a previous Index submission, this will not be known unless anyone specifically looks for previous top lists.

In addition to using this feedback, we would also strongly advise reading the 2022 guidance notes before starting your next submission - these will be published when the next version of the Index is launched early next year. The Employer Toolkit from the Social Mobility Commission and the Bridge Group also provides helpful guidance.

2021/2022 Timeline

- November 2021: Announcement of Social Mobility Employer Index Top list and 2021 key findings report published
- February/March 2022: 2022 Employer Index and Employee survey open
- May/June 2022: Closing date for submissions to the 2022 Employer Index and Employee survey

If you have any queries regarding the Index or your feedback please contact employerindex@socialmobility.org.uk

Foreword

Thank you for participating in this year's Social Mobility Employer Index. Despite the uncertainties of the current environment and the ongoing pressures we know Covid-19 is putting organisations under, your Index submission shows some positive steps towards tackling social mobility. Congratulations on making it into the list of Top 75 employers in the 2021 Social Mobility Employer Index. The Top 75 recognises the organisations that are taking the most action to ensure they are open to accessing and progressing talent from all backgrounds. Your organisation is benefitting from accessing talent from a wide range of backgrounds, and working to ensure employees progress based on effectiveness in role, rather than by background – but as you'll know, there is still more to do. We hope that your organisation will use its position in the Top 75 to advocate for social mobility, implementing new approaches that challenge others to do more over the next 12 months.

— Sarah Atkinson, CEO

Feedback

It is positive that the City of London Corporation is targeting its outreach work at schools with above average levels of Free School Meals or low levels of attainment, is working with a fairly high proportion of children that are eligible for Free School Meals, and is working with schools without existing relationships with employers like yourselves

It is positive that your organisation is using social mobility cold spots to target its outreach work, reaching young people beyond your doorstep in areas where the need for support is highest. As the Social Mobility Commission's 'State of the Nation 2020-21' report re-emphasised, the biggest gap in access to opportunity is no longer the 'north/south' divide, but that between London and the rest of the country. It's therefore more important than ever that organisations like yours continue to target your support at social mobility cold spots, using new approaches to reach young people across the country.

For information on current social mobility cold spots in the UK: England; Northern Ireland; Scotland; Wales.

Your organisation has a fairly strong link between the outreach work you do and your recruitment pipeline. The most effective way to improve social mobility is to provide direct opportunities for employment for young people from low socioeconomic backgrounds. It is encouraging that you are doing so, as well as providing follow-up support through work-shadowing opportunities, career talks and interview guidance. It would be good to see data to show that the support you are providing is working.

Your organisation's work in this area is well-targeted. We would query the statistic saying that 100% of students are eligible for Free School Meals as this seems unusually high, and would encourage your organisation to look into whether this is accurate. Additionally, we would suggest that the organisation starts to collect data on the number of work experience placements that go to friends/family of employees and clients. Understanding the percentage of your placements that are allocated in this way will enable the organisation to gauge whether or not too many placements are offered informally and encourage colleagues to widen the pool of people they are offered to.

Your organisation is not currently flagging students from your outreach work when they go on to apply for recruitment programmes, internships or permanent roles. Given your work in this area is well targeted, it is likely that the young people you encounter through your outreach are often from backgrounds which are under-represented in your workforce. We would strongly encourage you to collect this data as part of evaluating the impact of your outreach work, in order to assess whether that work is having the desired effect. If the number of applicants or successful applicants is low, it highlights a missed opportunity for you, given the resources you devote to your outreach activity.

The student feedback on the outreach programme is positive, and suggests that the programme is improving students' confidence and understanding of the sector. It is also good that you are tracking the career / educational outcomes of the young people on these activities. We would encourage you to use this information to support your follow-up activity.

Section 3: Routes into the Employer   Decile: 4

It is good to see that your organisation is offering apprenticeships and a graduate scheme. If possible for your organisation, we would encourage you to explore the possibility of introducing a school leaver programme to offer a wide range of possible entry routes into your organisation.

We are pleased to see that your organisation is offering higher and degree level apprenticeships as these can provide a genuine route into the organisation that is comparable with graduate routes and allows for ongoing career progression. Across all Index organisations we can see a clear trend of employers offering more apprenticeships at a higher and degree level (levels 4-7). Your organisation is mainly offering apprenticeships at levels 2 and 3. While these apprenticeships represent a good starting point for levy spending, these are equivalent to GCSE's and A-levels and might not provide a genuine route into the organisation that is comparable with graduate routes and allows for ongoing career progression. We would therefore encourage you to explore the possibility of offering more apprenticeships at a higher and degree level (levels 4-7). We were pleased to see in last year's Index that an increasing number of organisations are offering high-level apprenticeships now.

We would recommend that the organisation starts to collect background data on its apprentices. This is important because while it is assumed that apprenticeships are naturally good for social mobility, research suggests that disadvantaged young people are substantially less likely than their better-off peers to start the best apprenticeships. An example for such research is the Social Mobility Commission's report 'Apprenticeships and social mobility'.

Section 4: Attraction   Decile: 5

The recruitment section of your website is strong – some other good examples are provided below:

- · Capgemini
- · HM Treasury
- · Linklaters LLP

Your organisation does have a graduate recruitment programme, but your submission suggests you did not visit any universities as part of the recruitment process. While what 'good'

looks like for this will differ across sectors, some organisations have come up with good alternatives to university visits for accessing a wide pool of graduate talent, including:

- Working with third sector providers who can reach students at a range of universities across the country, and that ideally target their support at students from lower socioeconomic backgrounds.
- Running open days at your offices, where potential applicants can learn about the organisation and attend sessions giving support on CV writing/application tips etc. If possible, run open days in different regional offices to ensure that students from across the country can attend. Consider running additional virtual events to reach students that don't live close to your offices.
- Making sure that the wording used when advertising the graduate programme is not exclusionary (i.e. 'we are looking for the best students from top universities') and is written in a way that encourages students not to self-select out of the process.
- Being clear about the recruitment process, and talking about any additional support the organisation offers, such as online Q&A sessions and practice online tests.

Many employers have also moved their attraction activities online over the last year. These employers felt that running virtual activities allowed them to interact with students at universities outside of the reach of their offices and some noted an increase in student attendance and engagement. Virtual activities present an opportunity to reach a wider range of universities and, as such, more diverse talent from across the UK. However, the importance of direct interaction between event attendees and ambassadors of the organisation should be acknowledged and, if possible, replicated in virtual events. Many employers are exploring the possibility of running both in person and virtual events moving forward. While this is positive, it is important to ensure that in person events are not just focused on a small number of Russell Group universities with non-Russell Group universities being left out.

Your organisation does have recruitment initiatives in place, but they are not specifically targeted at any one demographic and so while they may indirectly support people from lower socioeconomic backgrounds, it's not necessarily the case that they will do so in a significant way. If the organisation is keen to focus specifically on social mobility, we would recommend running an outreach programme designed to encourage applications, and increase successful applications, from those from lower socioeconomic backgrounds.

Section 5: Recruitment and Selection	Decile: 4

While your organisation has minimum academic requirements, it does have lower requirements than many Index organisations for its graduate and apprenticeship schemes. This is positive, as there is little evidence to suggest there is a connection between prior attainment and performance in role and those from higher socioeconomic backgrounds are more likely to have higher prior attainment. Therefore, your approach could be broadening the socioeconomic demographic of the applicant pool, although we would recommend analysing your application data to see if that is the case.

Based on your submission, the organisation is not currently measuring how many successful applicants met, but did not exceed, the stated minimum grade requirements. Organisations that were able to provide us with their average A-Level grades often found that these far exceeded the minimum requirements, but were rarely able to say whether this correlated with performance. We would encourage you to collect this data, in order to establish if the minimum requirements are being used as intended, or whether successful applicants are always exceeding them. If the latter is the case, we would recommend revising the published minimum requirements, in order to more accurately reflect the reality of the application process, or reviewing the recruitment process to understand why successful candidates so often exceed them.

It's positive that your organisation has removed candidates' names, grades and university attended from most stages of the recruitment process, as it could be the case that these factors have an unduly adverse impact on the success rates of certain demographics.

You are also scoring students based on extra-curricular activities. There can be a case for scoring extra-curricular activities depending on what the activities are, but often the activities that are being scored by organisations are those not available to many socioeconomically disadvantaged young people; we would encourage your organisation to review this part of the recruitment process with those students in mind. A related point is that some young people are restricted in the extra-curricular activities they can participate in due to family circumstances, or have often experienced a bigger step up to university and therefore are not pushing to be captain of the netball team or social secretary for a society because they are focussing on their studies. Evidence of these activities being accessed disproportionately by those from higher socioeconomic backgrounds can be found in the Bridge Group's report on graduate outcomes here.

It is positive that your organisation uses standardised questions for its interviews. While there is a degree of variation in every interview, where standardised questions are not used it allows each individual interviewer too much leeway to look for what they personally want and not what the organisation as a whole is looking for, and means that candidates are not all being judged on the same criteria. Strengths-based interviewing, as opposed to competency-based, has also been proven to have a positive impact on diversity. More information on this can be found in SMF's guide for students here.

Your submission indicates that you are currently not flagging candidates with certain socioeconomic background characteristics in the recruitment process. We encourage the introduction of a contextual recruitment system to support students from lower socioeconomic backgrounds through the application process. We also encourage employers not to use just 1 flag/data point on a candidate for taking action; where only 1 flag/data point is used on a candidate it is not usually a reliable indicator of their socioeconomic position. Ideally you would have 2-3 flags on the same person as, for example, a child who is first generation to be going to university may have parents who joined professions when a university education was not essential and is therefore in a high income household.

We would also suggest you consider taking a second look at under-represented candidates before they are rejected as sometimes the context of the candidate can be missed in the initial sift.

Your organisation is not currently monitoring its recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down. The employers that have made the most progress with adjusting their recruitment process have all started by assessing exactly which stage candidates from particular backgrounds are being disproportionately rejected and then changing/removing the parts of the process that seem to disadvantage those candidates, in order to level the playing field. Monitoring the process in this way is something that should be done on an ongoing basis to ensure that one year's results are not an anomaly and also because different employers have different experiences. For example, some think video interviews have improved their process, while others have found female candidates do disproportionately badly in them.

We would also encourage you to collect feedback on the recruitment process from unsuccessful candidates and analyse this feedback by socioeconomic background to identify any stages that this group might find particularly difficult.

It may also be worth looking at the relationship between social mobility and other areas such as gender and race.

There is increasing evidence – for example in The Class Ceiling (Friedman/Laurison) – that those from lower socioeconomic groups can suffer a 'double disadvantage' if they are also female or BAME. Access and progression are unequal by socioeconomic background (in its own right) and evidence also indicates that this characteristic is also correlated with some aspects of race (i.e. Black employees are often more likely to be from lower socioeconomic background compared to other races), and that this correlation has a compounding effect. Evidence of this can be found in research done by The Bridge Group with law firms and the Civil Service Fast Stream. While not every organisation will have enough data to make definitive conclusions, looking at how candidates do if they are in more than one under-represented category can help you work out where you most need to focus your efforts.

Section 6: Data Collection   Decile: 9

It is very positive that your organisation is collecting multiple data points for new entrants and current employees. Half of the Index employers are now collecting socioeconomic background data from their new and existing employees, predominantly using the metrics:

- Parental occupation
- First generation in the family to attend university
- Eligibility for Free School Meals
- Type of school attended

In line with the Social Mobility Commission's recommendation on data collection, we advise collecting 3 to 4 of these data points. We recommend using parental occupation at the age of

14 as the main metric. You can find the Commission's toolkit on data collection here and access the full scorecard here.

Some employers have begun to enquire about whether those who attended an independent school did so with the support of a bursary (and then often categorising this group as lower SEB). We advise caution here, since a great proportion of those in receipt of a bursary may a) in fact be on a non means-tested scholarship or b) be in receipt of a means-tested bursary that is a relatively small proportion of the overall fee (therefore still typically requiring significant financial contributions from parents / carers). As discussed above, we would also advise against giving too much weight to whether someone attended a non-selective state school when determining their background as this data point be placed in context with other socioeconomic metrics.

It is very encouraging to see that your organisation also looks at the socioeconomic background of unsuccessful applicants. We would encourage you to analyse if those from a lower socioeconomic background do disproportionally fall down in the application process.

The City of London Corporation has a very high completion rate for your socioeconomic background data, including from existing employees which is where we generally see a much lower completion rate. More generally, we found that across the Index, completion rates for socioeconomic background questions were mixed, with some close to 100% and some as low as 10%. High response rates are important because they help to ensure that the data collected provides accurate monitoring of the recruitment and retention of staff, and a better understanding of areas for action. The Social Mobility Commission recommend aiming for an overall response rate of at least 70% both for existing employees and new hires.

Strategies for increasing completion rates include:

- Placing the questions in the context of other diversity monitoring, and underlining that people can opt not to answer them;
- Providing staff with a detailed explanation of why the data is being collected and how the organisation plans to use it;
- Senior leadership regularly emphasising the importance of collecting this data;
- Linking the collection of the data to the business case for being open to all talent, regardless of background; and
- Using case studies to illustrate how other organisations have used their data collection exercises to improve recruitment practices.

It is positive that you are currently reviewing data against national benchmarks. It is important to understand how the socioeconomic background of your workforce compares to the national spread of the workforce population.

This year we have seen a decrease in the number of organisations able to provide workforce data broken down by background, which is a worrying trend. Less than half of Index organisations have that data, and so it's very positive that your organisation was able to provide this.

Your organisation is not currently publishing the data you collect on the socioeconomic background of the workforce. While we understand that the publication of this data has some organisational risk, we would encourage all employers to collect and publish detailed data on

the socioeconomic make-up of their workforce to increase transparency and encourage a more open dialogue about social mobility.

Over half of Index entrants are now presenting their socioeconomic background data to their UK board/management team. This is encouraging as senior buy-in is crucial to driving social mobility work within an organisation.

Section 7: Progression, Culture and Experienced Hires	Decile: 10

It is very positive that your organisation is collecting data in this area. The increasing number of studies of pay, progression and retention in the workplace show that those from lower socioeconomic backgrounds can progress at a slower rate than those from more privileged backgrounds and the only way to know if that is true at your organisation is to record the data on what happens in your workplace.

In particular, those from lower socioeconomic groups can suffer a 'double disadvantage' if they are also female or BAME. As you are already collecting data in this area, we would suggest the next step would be to look at socioeconomic background alongside gender and ethnicity.

It is positive to see that you are assessing whether those from lower socioeconomic backgrounds feel that the culture of the workplace is welcoming to them. While employers have generally taken a great deal of action to make the workplace more welcoming to people who may be female, BAME or LGBT, far less has usually been done for those who may be from a different class background. This means that at many organisations the Index targets there is a feeling that those from lower socioeconomic groups need to change how they speak, dress and act in order to fit in.

Index organisations are increasingly investing in support for employees from lower socioeconomic groups. Common support offers include buddying/mentoring, leadership programmes to encourage progression and the creation of employee networks. Given the importance of peer support for career progression, we would encourage you to explore initiatives like this.

Section 8: Advocacy	Decile: 10

It is positive to see that accountability for the City of London Corporation's approach to social mobility sits at Executive Team level, demonstrating the importance of the issue within your organisation. Senior support and buy-in is in many cases an important factor in establishing new best practices and driving cross-departmental change within an organisation.

It has been welcome to see the growth of organisations encouraging employees to share their stories of having come from a different background and it is particularly welcome if senior employees are involved in this. Junior colleagues can often feel their senior colleagues are all from the same background given the degree of assimilation that takes place the longer someone works somewhere. More and more organisations now run social mobility weeks

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and/or have social mobility networks of employees. It is good to see that you have created a space for personal testimonials as part of your internal advocacy strategy, and that you are leveraging Bridge Group research to develop this work further.

Your organisation shows its investment in social mobility by engaging with your clients to raise awareness for the issue. Through your work as part of the Financial Services Skills Commission and the focus on social mobility for this year's Lord Mayor's Appeal, you are using your position to advocate for social mobility and encourage your clients to take action themselves.

Additionally, only just over a third of Index organisations are encouraging their supply chains to take action on social mobility so it's positive that your organisation is taking action on this area of social mobility. Employers like yours have significant purchasing power, and can create a positive chain-reaction by asking suppliers about their approach to social mobility as part of your contracting process, or working with them to build joint initiatives to tackle the problem. It's important that employers such as yours play their part in ensuring that organisations with less expertise or resource are still taking action on this issue.
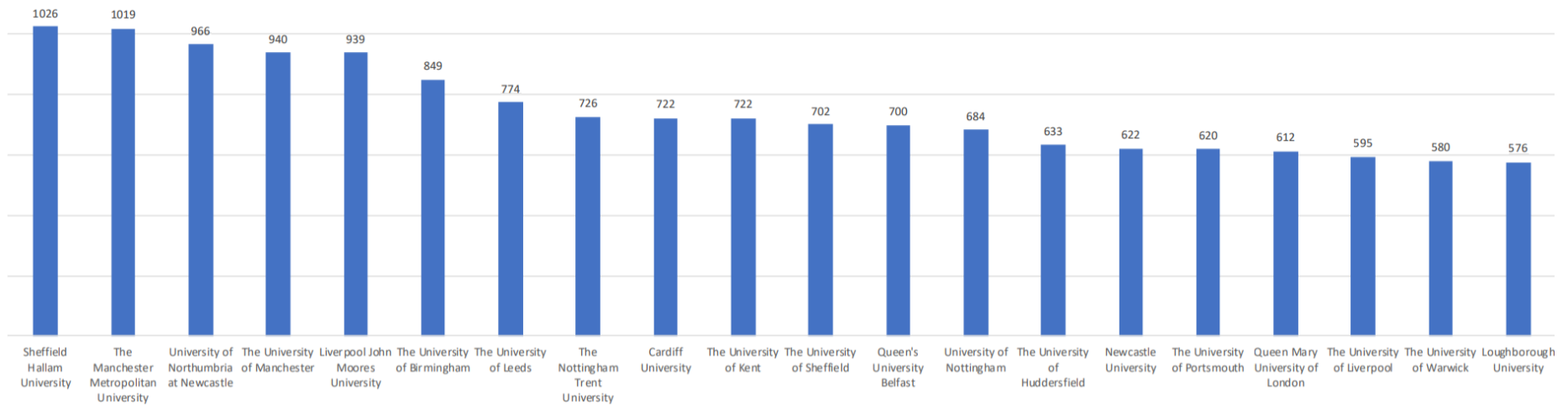
It's also encouraging that the organisation has some social mobility targets in place. Almost 40% of Index organisations now set social mobility targets as part of their wider business strategy. Based on the latest good practice, we would recommend setting targets (rather than quotas) since these are a helpful expression of success and typically the organisation's ambitions in this area. However, any such target should be well informed, so consider diversity within the talent pools you are drawing from, the way in which such a target might differ based on the occupational area within your organisation and seniority, and how the target may change over time. It is also great to see that these targets are monitored at board level and published externally.

Employee Survey

Your organisation did not participate in the employee survey this year. An overview of the survey results will be provided in the key findings report.

Appendix A

Lower SEB with BBB+ by institution

Institution	Value
Sheffield Hallam University	1026
The Manchester Metropolitan University	1019
University of Northumbria at Newcastle	966
The University of Manchester	940
Liverpool John Moores University	939
The University of Birmingham	849
The University of Leeds	774
The Nottingham Trent University	726
Cardiff University	722
The University of Kent	722
The University of Sheffield	702
Queen's University Belfast	700
University of Nottingham	684
The University of Huddersfield	633
Newcastle University	622
The University of Portsmouth	620
Queen Mary University of London	612
The University of Liverpool	595
The University of Warwick	580
Loughborough University	576

Top 20 institutions by the number of students from lower socioeconomic backgrounds with 300+ UCAS points (graduating this past summer). Please note the above data does not include courses allied to medicine or veterinary studies and only includes UK/HOME students.

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Committee(s):	Dated:
Establishment Committee – For information	03122021
Subject: Costs of maternity, paternity, shared parental and adoption leave	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	5,6,7,8
Does this proposal require extra revenue and/or capital spending?	**N**
If so, how much?	**£**
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	**N**
Report of: Chief Operating Officer	**For Information**
Report author: Chief Operating Officer	

Summary

Members queried the current practice of individual department or service areas covering costs of covering maternity/paternity/shared parental/adoption leave, where specific interim resource is required. This report recommends that this approach be continued as existing arrangements are already in place to address specific challenges, and to ensure that there is consistency between costs of different leave types.

Recommendation(s)

Members are asked to:

- Note that for the last few years individual budget holders have been able to approach Chamberlains for additional support to cover interim resourcing needed when the post holder is absent for extended periods.

- Note that numbers of people who are on maternity/paternity/shared parental/adoption leave are relatively evenly spread across the Corporation and of course different year to year in each team.

- Note the numbers of people who are on long term (i.e. over 1 month) sick leave as a comparison.

- Note that no change is proposed to current arrangements or funding, but that workforce plans are an important tool to account for this type of resourcing challenge, and this is an area the Corporation should seek to develop in.

Main Report

Discussion

1. Members raised a query about the financial impact of covering maternity/shared parental/paternity/adoption leave where there is a need to use fixed term resource to cover the individual on leave, vis-à-vis the current approach of this cost being managed through local risk budgets. This was noted as having a particular impact in some smaller teams.

2. The agreed financial approach in place is that for fixed term cover of a role in the core team establishment, costs are covered by the standard budget. There is provision to request through Chamberlains additional funding to cover exceptional costs or where there is pressing need not manageable within approved resource budgets.

3. Not all instances of maternity/paternity/shared parental/adoption leave require specific cover, i.e. the absence is able to be managed by the wider team without having dedicated backfill or other arrangement. Furthermore, the length of time taken by an individual for maternity/shared parental/adoption leave is not standard, and therefore the feasibility or need for dedicated cover arrangements varies.

4. As of 26/11/2021, 42 people across the Corporation (including the Institutions) are on maternity leave. There will be a further handful on shared parental or adoption leave, in addition to individuals taking the two weeks provided for as paternity leave. The department with the highest number currently is Environmental Services at 8 people, which represents <1%-1% of the workforce. This approximate percentage is the average across the Corporation.

5. As a comparator, the number of individuals on long term sickness absence (defined as over 4 weeks) is 19. Environmental Services and City of London Police have the largest numbers at 6 each. Therefore, the rate would also be <1% on average across the Corporation. The average duration of absence from long term sickness absence also varies, but can go above 12 months.

6. These rates should be used as assumptions when departments are workforce planning, along with rates of attrition and time to hire etc., because they are expected costs of having a team. However, workforce planning is not considered to be well-developed or understood within many areas of the Corporation and this will need to be a key capability to be developed to enable better planning and smarter approaches to staffing need.

7. The Chamberlains have confirmed there is no central contingency or available budget for the costs resulting from some longer term staff leave to be held at Central Risk level. To create one would therefore require either a top-slice on all employee budgets or alternate prioritisation decisions.

8. Given the existing provision for individual departments or Institutions to request specific funding, and the relatively low numbers involved, it is not proposed that any changes are made to the current approach.

Corporate & Strategic Implications

Strategic implications - None

Financial implications – None

Resource implications – None

Legal implications – None

Risk implications – None

Equalities implications – None. However, it should be noted that maternity, paternity, shared parental and adoption leave are all statutory leave types which the Corporation chooses to provide additional remuneration on top of to support staff in balancing their work and home life and family situation. Absence in relation to long term sickness is also covered by clear policies and, in some instances, the reason for absence may fall under Disability Act provisions. It is therefore important that all parts of the Corporation consciously and clearly follow the relevant policies in place.

Climate implications - None

Security implications - None

Conclusion

9. Establishment Committee are asked to note this update.

Appendices

- None

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