

<b>Committee</b> Corporate Services Committee	<b>Date:</b> 12/07/2023
<b>Subject:</b> Annual Employee Profile Report 2022 - 2023	<b>Public</b>
<b>Report of:</b> Director of Human Resources	<b>For Information</b>
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### Summary

This report sets out the employee profile information for the year 2022-2023. It also includes the Gender, Ethnicity and Disability Pay Gaps previously reported for the snapshot date March 2022. It provides a breakdown of the workforce by six protected characteristics identified in the Equality Act 2010. These are sex, age, ethnicity, disability, religion and belief and sexual orientation. Analysis on socio-economic diversity based on the current profile of declared employees is also provided. The report also provides a summary of the wider initiatives undertaken during the reporting period. Appendix 2 provides further trend analysis of the workforce profile over the last five years. Additional information is included within the report on leavers, casework, family friendly policies, and a summary of our Equality and Inclusion initiatives during the year.

### Recommendation

Members are asked to note the report, the Employee Profile data 2022/23 at Appendix 1 and the trend analysis in Appendix 2.

### Main Report

### Background

1. Equality, Diversity, and Inclusion fell under the remit of the Corporate Services Committee until recently and which several update reports were received throughout the year. The Equality, Diversity and Inclusion Sub-Committee oversees the Equality, Diversity, and Inclusion Action Plan. This report is the annual update presenting data on the employee profile broken down by six protected characteristics as defined by the Equality Act 2010. These are sex, age, disability, ethnicity, sexual orientation and religion or belief. The analysis includes salary and grade; the top 5% of earners; Gender, Ethnicity and Disability Pay Gaps; turnover, recruitment and new starter and leaver information during the year. Socio-Economic Diversity data is included within the report for the first time. We have added four questions recommended by the Social Mobility Commission to capture Socio-Economic background data. The current declaration rate by employees on socio-economic background is 9%. Although this has increased slightly in 2022/23 from 5%, the overall declaration rate is very low. This report sets

out our plans to increase the current declaration rate for socio-economic diversity and in general for all diversity data in the coming months. Obtaining this information is essential in enabling us to draw meaningful insights and develop meaningful strategies and initiatives to attract, engage and retain a diverse workforce.

2. The employee profile data is used to inform the Public Sector Equality Duty under the Equality Act 2010 in relation to employment. This data along with the HR (Human Resources) dashboards and workforce planning data helps to inform the Human Resources priorities and the Equality, Diversity, and Inclusion (EDI) Board Action Plan.

### **Current Position**

3. Attached as Appendix 1 is an analysis of the workforce as at the end of March 2023. Data has been collated in this format for ten years.
4. The below table provides a breakdown of the new starters, leavers, and turnover rates over the last five reporting periods.

Year	Starters	Leavers	Turnover
2018/2019	575	535	14.7%
2019/2020	484	479	13.1%
2020/2021	318	344	9.4%
2021/2022	489	704	17.2%
2022/2023	782	633	16.8%

5. Attached as Appendix 2 is a trend analysis over the previous five years of reporting. This includes sex, ethnicity, disability, sexual orientation, and age analysis.

The following trends and themes have been highlighted from the Appendix 1 report and Appendix 2 trend analysis:

### **Current workforce profile**

6. In 2022/23 19.7% of the workforce identified as Black, Asian, and Minority Ethnic. This is an increase of 1.1% on the previous reporting period where the percentage was 18.6%. However, the percentage of the workforce identifying as Black, Asian and Minority Ethnic has remained within a consistent range of between 18.6% and 19.7% in the last five years.
7. The number of employees declared as having a disability has increased over the last five years from 7.8% in 2018/2019 to 9.3% in 2022/23.
8. Over the last five years the number of employees declared as LGBTQIA+ has steadily increased year on year from 4.7% in 2018/2019 to 5.7% in 2022/23. However, 36% of employees have not declared their sexual orientation.
9. In relation to age, 35 - 44-year-olds make up the highest proportion of the workforce at 25.3%, closely followed by 45 - 54-year-olds at 25.1% of the workforce. This has been a consistent theme over the last five years.

### **New starters**

10. The ratio of new starters who are female has been steadily increasing over the last five years. The percentage of new starters who are female have consistently ranged between 59.2 - 61.5%. In 2022/23 the ratio of new starters who were female was 58.7%. Analysis of recruitment by grade in 2022/23 shows that recruitment of females is broadly consistent across all levels of the organisation from Apprentice to Grade SMG.

11. The proportion of starters who identify as Black, Asian and Minority Ethnic has increased. In 2022/23 21.5% of new starters declared themselves as Black, Asian and Minority Ethnic. A further breakdown of this by ethnicity is below.

Ethnicity	Headcount	% of Employees
Any other Asian background	26	0.65
Any other black background	7	0.17
Any other ethnic group	39	0.97
Any other mixed background	43	1.07
Arab	2	0.05
Asian - Bangladeshi	52	1.29
Asian - British	63	1.57
Asian - Indian	62	1.54
Asian - Pakistani	29	0.72
Black - African	90	2.24
Black - British	122	3.04
Black - Caribbean	85	2.11
Chinese	37	0.92
Irish	57	1.42
Mixed - Asian & White	27	0.67
Mixed - White and Black African	5	0.12
Mixed - White & Black Caribbean	46	1.14
Not stated	67	1.67
Prefer not to say	20	0.50
White - any other white background	114	2.84
White - British	2055	51.13
White - EU	204	5.08
White - Other European	22	0.55
Not Known	745	18.39

12. It is noted that there has also been a steady increase in the number of employees who have not declared their ethnicity, or the data is not known. An action plan has been set out later in this report which includes an objective to further understand and improve declaration rates.
13. The number of new starters joining the organisation with a declared disability has increased over the last five years. In 2018/19, 4.5% of new starters self-identified themselves as disabled. In 2022/23 this percentage was 5.7%. The current rate of declared disabled employees joining the organisation is lower than the overall disabled workforce profile of 9.3%.
14. In 2018/19, 6.7% of new starters declared themselves as LGBTQIA+. This has increased to 9.1% in 2022/23. This has increased year on year, with the exception of between 2021/22 and 2022/23 where there was a slight decline from 10.5% to 9.1% of new starters declaring as LGBTQIA+.
15. With regards to age, 25- to 34-year-olds have consistently been more successful at the recruitment stage over the last five years. 38.6% of new starters in 2022/23 were between the ages of 25 to 34. This trend aligns with our commitment to apprenticeships and providing opportunities for young people to access work. In contrast with the new starter population, the workforce profile has consistently had a higher representation of 35- to 44-year-olds and 45- to 54-year-olds, over the last five years. Although further analysis will need to be undertaken to understand the reasons behind this data, lower retention rates of the 25- to-34-year-old age group is an identifiable factor. We are committed to further understanding the factors that are impacting on engagement levels and the employee experience across protected characteristic groups.
16. Recruitment activity over the last year has increased significantly and beyond recruitment levels reported pre-pandemic. This increase in recruitment activity is due to several reasons, including the impact of the Target Operating Model (TOM) and a previous recruitment freeze. The TOM has resulted in additional recruitment to new positions and vacant positions due to leavers.

## **Leavers**

17. Whilst the ratio of females being recruited has steadily been increasing over the last five years, the number of leavers who are female has also increased slightly from 54.1% in 2018/19, to 58.1% in 2022/23.
18. The percentage of Black, Asian, and Minority Ethnic employees leaving the organisation has decreased over the last five years. In 2018/19, 25.1% of leavers were Black, Asian, and Minority Ethnic. This increased to a high of 37.3% in 2020/21. In 2022/23, the percentage of leavers who are from a Black, Asian, and Minority Ethnic background was 24.8%.
19. The percentage of leavers who classed themselves as disabled has slightly increased from 3.4% in 2018/2019, to 4.7% in 2022/23.
20. Leavers who identify as LGBTQIA+ has also increased from 6.3% in 2018/19, to 7.5% in 2022/23. We will continue to monitor these areas to understand if there is a developing trend that needs further action.
21. 25 – 34-year-olds, have consistently had the lowest retention rates over the last five years. In 2022/23, 29.4% of leavers were between 25 – 34 years old, this is slightly lower than in previous years. In 2021/22, 26.4% of leavers were 55 – 64 years old. This was a significant increase on previous years. In 2019/20, 15.4%

of leavers were 55 – 64 years old. This shift was due to the TOM with some employees in this age bracket opting to leave the organisation or retire. The percentage of this age group leaving the organisation has fallen to 17.8% in 2022/23.

22. There were 633 leavers in the reporting period of which 42 or 6.3% were end of fixed term contracts (FTC). Of the remaining 621 leavers, the reason for leaving is broken down as follows:

511 Resignations  
34 Retirements  
43 Redundancies  
22 Dismissals (ill health, misconduct, or capability)  
2 Death in Service  
9 Other

23. We have seen a slight decrease in leavers from 704 in 2021/22, to 633 in 2022/23. 78% of leavers were voluntary resignations, compared to 59.9% in 2022/23. The number of dismissals due to ill health, misconduct or capability has also increased when compared to 2021/22.

All leavers are provided with a link to complete an exit questionnaire and/ or have an exit interview with the line manager or HR. In this reporting period only 37 leavers completed the exit questionnaire. In the main most people had a positive experience of working for the City Corporation. The themes referenced are broadly in line with exit survey responses in 2021/22. Responses most commonly mention the following themes:

Positives about working for the City Corporation:

- Working with great people
- Good benefits
- History of the corporation/ opportunities to get involved with events

Areas for improvement:

- Career progression
- Unhappy with the TOM
- Workload and resource
- Employee voice
- Bureaucracy and inefficiency
- Pay and pay practices
- Perceived unfairness in decisions/ transparency
- Leadership and management/ poor performance management
- Behaviour of members and senior leaders

However, whilst the exit questionnaire does provide some useful qualitative analysis, engagement with the exit questionnaire is low and the existing format of the questionnaire makes it difficult to identify quantitative trends. Plans are being scoped to ensure that we develop a more robust arrangement for capturing

leaver reason information and exit survey analysis as the HR management information system is developed.

## **Turnover**

24. Turnover has fallen from 17.2% in 2021/22, to 16.8% in 2022/23. The reduction in turnover is a result of an increase in new joiners in the period and there being less leavers than in the previous year. Corporate Human Resources have set a KPI (Key Performance Indicators) for the organisation to aim to stay below 15.0% voluntary turnover. This is set out the HR Business Plan and is regularly monitored and published as part of the COO (Chief Operating Officer) Performance pack. As at the end of March 2023, voluntary turnover was 13.6%.
25. The top 5% of earners has been analysed over several years and was formerly a key performance indicator for local authorities. We now include data on the gender, ethnicity and disability pay gaps and these have previously been reported in detail to the Committee along with the measures being taken to address the imbalances identified. As noted previously, the differences are due to under-representation in senior grades.

## **Socio-economic diversity**

26. 9% of staff have responded to socio-economic questionnaires in City People.

Of the employees who have completed the question related to the type of school attended the following responses were given:

- Grammar 14%
- Private 14%
- State 68%
- Prefer not to say 14%

27. Of the employees who responded to whether they received free school meals 14% answered that they did.

28. 38% advised that they were the first in their family to attend university.

29. 37% of staff advised that the occupation of their main household earner was 'Routine, semi-routine manual, and service occupations' only 3% advised that they came from a background where the main earner was 'Long-term unemployed'.

30. As we look to further increase our declaration rates within this area we will seek to understand how the organisation's socio-economic diversity by other intersections, including by grade and salary.

## **Casework**

31. There were less than 5 formal grievances raised in the reporting period. Clearly these are small numbers and care should be taken to attach statistical significance to them or identify individuals.

Of the complainants:

2 were female and 2 were male.

3 did not have a disability and 1 was unknown.

2 were white; 1 was from a Black, Asian and Minority Ethnic background; 1 was unknown.

32. There were 22 formal disciplinary cases in the reporting period.

Of those disciplined:

17 were male 5 were female

15 did not have a disability; 1 had a disability; and 6 were unknown

9 were white; 7 were BAME; 6 were unknown

33. It should be noted that our Managing People Policy statement of intent requires Managers to deal with issues (both complaint and conduct matters) swiftly and informally and to mediate between parties, notwithstanding the employee's right to progress such matters through the formal process where necessary. This means that most issues can and are dealt with informally and successfully at the informal level or by informal resolution.

### **Family Friendly Policies**

34. In this reporting period:

60 employees began their maternity leave.

1 employee began adoption leave.

55 employees began paternity leave.

0 employees began their shared parental leave.

### **Maternity and post maternity leavers**

35. The Committee will be aware that significant improvements have been made to our maternity pay and leave provisions. Together with our wider family friendly policies, we aim to retain and support maternity returners and at the same time facilitate a good work life balance. An indication that our maternity and family friendly initiatives are having a positive affect can be gleaned from the maternity returners. Of the 54 women who had returned from maternity during the reporting period only 6 have subsequently left.

### **Women in Finance Charter and Gender, Ethnicity and Disability Pay Gaps**

36. In November 2017, the City Corporation signed up to the Women in Finance Charter. As part of this commitment, we have set a target of 45% of senior officers (at grade G and above) to be filled by women by 2025. In 2017 there were 20% of women in senior positions. In 2019, 33% of senior level staff (Grade G and above) were female. By 2021, the percentage of senior level staff who are female had increased to 37%. By 2022, the percentage of senior level staff who are female had increased to 43%. We believe we are on track to meet our Charter target of 45% of senior staff to be female by March 2025.

37. We have published for the third year our pay gap analysis which can be found at page 16 of Appendix 1.

## **Equality Diversity and Inclusion Update**

38. Our vision is to co-create a sustainable equality, diversity, and inclusion ecosystem in the City of London where everyone can feel a sense of belonging. To this end, we are currently consulting on our Equality Objectives 2023 to 2027 which sets out our overall ambitions.
39. In September 2022, a member-led EDI Sub-Committee met for the first time. The EDI Sub-Committee reports into the Policy and Resources Committee. In addition, the EDI directorate was initiated in September 2022. The EDI Directorate is led by the Director of EDI/ Head of Profession who has responsibility for EDI across the Corporation. The team is supported by two EDI Officers and an EDI apprentice.
40. A new EDI governance structure was agreed with the Executive Leadership Board and the EDI Sub-Committee in December 2022. The EDI governance structure will enable better joined-up working on EDI across the City Corporation's departments, its institutions, and its services.
41. In relation to recruitment, one of the practical steps we will take to minimise unconscious bias during the hiring process is the use of anonymised recruitment. We plan to roll this out across all our hiring activities once our HR systems have been upgraded in the next 12 months. This step forms part of our broader recruitment and retention initiatives in development to support EDI.
42. The City Corporation has 7 Staff networks that play a huge part in enhancing our inclusive workplace culture, with additional networks in some of our Institutions. Our staff networks drive forward our EDI agenda by attending our bi-monthly EDI board meetings and supporting their members.
43. To ensure that we continue to make measurable and meaningful progress on EDI, we plan to set aspirational targets for EDI in 2023 which we will measure over the next two years. These aspirational targets will include increased representation in senior level roles for gender, disability, and ethnicity. As disclosure rates remain low for some protected characteristics, we will set aspirational targets to increase our disclosure rates for ethnicity, disability, and socio-economic background. We will increase our disclosure rates by stepping up our disclosure campaigns. We will increase employee engagement by demonstrating that we have acted on previous staff survey and pulse survey feedback.
44. To narrow our Pay Gaps, we will ensure that the EDI aspirational targets that we set are monitored quarterly alongside our overall EDI action plan, departmental action plans and our annual workforce and recruitment data.

45. Additionally, the City Corporation's People Strategy is being developed. The intention is that EDI will be considered as an individual theme in the strategy to encourage explicit and prioritised actions to be developed as well as a 'golden thread' to underpin all employee activities and initiatives.

## **Accreditations and EDI Initiatives**

### **Equality, Diversity, and Inclusion initiatives**

46. The City Corporation has taken a proactive approach to furthering the Equality, Diversity, and Inclusion (EDI) agenda at all levels of the organisation. The City Corporation is also taking active steps to improving diversity and inclusion by being signatories to the following charters and accreditations:

- Race at Work
- Women in Finance
- Stonewall Diversity Champions
- Disability Confident
- London Living Wage
- Progress together
- White Ribbon
- Race at Work Charter

Since the initiation of the EDI Directorate in September 2022, work has taken place in the area of staff engagement and enhancing the employee voice. These include, hosting a National Inclusion Week Celebration event for our 7 staff networks; Facilitating focus groups and workshops with over 100 staff which provided an opportunity to listen to employee feedback and develop an EDI Action Plan; and Supporting our Staff networks through training and attending their events. Our 7 Staff networks are City Pride, Disability and Wellbeing Network (DAWN) and City of London Ethnicity and Race Network (CLEAR), Young Employees Network (YEN), Carers and Parents, Multi-faith, and Women's Network.

### **Recruitment and retention initiatives to drive EDI/ Equality Objectives**

47. Our EDI Action Plan will set out various recruitment and retention initiatives that will help drive our EDI initiatives. These initiatives will include mentoring, reverse mentoring, staff networks and listening circles. The Action Plan will be owned by the EDI Directorate and overseen by the Executive Leadership Board and the EDI board.

### **Driving insights through improved systems and data**

48. We are committed to continuously improving our approach to data and creating opportunities to provide the opportunity for evidence-based decision making around EDI and the People agenda. Further detail will be provided within the EDI action plan on specific initiatives to further drive our EDI initiatives.

## **Key areas that the plan will include are:**

- Increasing our declaration rates within the coming months, with a particular focus to improve declaration rates on socio-economic diversity and other areas where declaration rates are lower.
- Working to ensure that a consistent set of EDI questions are used across the board at various stages of the employee life-cycle and in our pulse surveys. This will further improve our ability to compare trends and form stronger insights.
- Improving the way in which we currently collect exit data.
- Providing leadership with more regular reporting and analysis of EDI data trends and changes across the organisation to further drive evidence-based decisions and an understanding of the workforce.
- Improving our systems, processes, and access to data further through a new Enterprise Resource Planning (ERP) solution, ensuring that our EDI recruitment and retention initiatives are effectively supported by the system, are accessible and inclusive. With the support of a new system, we will seek to further understand how the City of London Corporation is attracting and recruiting talent with an EDI lens on all stages of the recruitment process from applications to appointment.

## **Socio-Economic Diversity**

49. In 2021 we added four questions recommended by the Social Mobility Commission to capture Socio-Economic background data. We will be asking all staff to update their personal information in the coming months to improve the declaration rate. Access to better information will support us in engaging and attract a diverse pool of talent regardless of their background. Further work is being done to refine these questions and ensure that the language used as part of recruitment or for self-declaration during employment is consistent.

## **Corporate & Strategic Implications**

50. Monitoring our workforce by protected characteristics provides us with key data that informs the equality and inclusion agenda and progress being made to address areas of concern. E&I initiatives link to the Corporate Plan aim of 'contributing to a flourishing society.'

## **Implications**

51. There are no specific costs arising from this report, but the data helps us to identify where there is a disproportionate impact in relation to protected characteristics.

## **Conclusion**

52. This report sets out the 2022 to 2023 annual employee workforce profile data by six of the protected characteristics and socio-economic diversity. The data

enables us to better understand our workforce and manage talent across different stages of the employee life cycle. In addition, it enables comparison and benchmarking with industry, and monitors progress being made to reduce inequalities identified in our workforce. The report notes that the significant increase in recruitment, starters and leavers during this reporting period is a potential consequence of post-pandemic and an impact of the Target Operating Model process. Corporate Human Resources and ED&I (Equality, Diversity, and Inclusion) are committed to working in close partnership to support the organisation to further improve our approach to EDI. The EDI Action Plan will further set out our initiatives and commitments.

## **Appendices**

Appendix 1 - City of London Corporation – Annual Equalities Inclusion Monitoring Report 2023

Appendix 2 – Trend analysis

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