

ROYAL BOROUGH OF KENSINGTON AND CHELSEA
CABINET AND CORPORATE SERVICES SCRUTINY COMMITTEE

16 September 2013

REPORT BY THE BI-BOROUGH DIRECTOR FOR HUMAN RESOURCES

THE COUNCIL WORKFORCE REPORT – April 2012 – March 2013

SUMMARY

The report at Appendix A contains information on the Council's Workforce, and provides data on a number of areas as indicators of corporate health.

For Discussion

1. Introduction

- 1.1 The Council publishes an annual workforce report covering a number of key workforce indicators. As well as informing the Committee the report complies with the legal duty arising from the Equality Act 2010 to publish data and information on a range of diversity indicators.
- 1.2 Under the Act the Council is under a duty to eliminate discrimination, harassment and victimisation, promote equality of opportunity and foster good relations between groups. In meeting this duty the act names nine characteristics that need to be considered; age, disability, gender reassignment, pregnancy and maternity, ethnicity, religion or belief, gender, sexual orientation and (in relation to discrimination) marriage and civil partnership.
- 1.3 The Council has published data for a number of years on the representation of personal characteristics within the workforce. This report presents information on age, disability, ethnicity and gender in employment, as well as including some contextual information about the Council as an employer. The report does not include casual staff or staff employed in Schools. Casual staffs are typically employed where there is a requirement for seasonal workers who are not part of the permanent establishment. Electoral canvassers, Opera Holland Park seasonal workers and seasonal play workers are examples.
- 1.4 Since October 2010 the Council has been engaged in Tri-borough working. In order to reduce management costs, a number of Kensington and Chelsea staff are managed by managers employed by Hammersmith and Fulham or Westminster City Council. This report includes only employees that are contracted to the Royal Borough of Kensington and Chelsea (e.g. the 4 employees shown at band 8 on page

8 of the report, are the RBKC contracted members of the Joint Management Team).

- 1.5 The workforce report will be published on the Council's website after being presented at the Cabinet and Corporate Services Scrutiny Committee on 16 September 2013

2.0 Key Areas to report 2012-13

- 2.1 At the Committee last year it was requested that the Council extend the range of equality information collected on staff. Therefore from September 2012, staff have been able to add information on their sexual orientation, marital status and religion or belief, through their employee record via the self service system. This was promoted in September 2012 when it was launched and again in January 2013, when the Council's Intranet front page was used to promote equalities issues and disability awareness through a week of extensive promotion including improving the way staff and managers access information to support them in their work. At March 2013 only 38 employees (1.6 per cent) had provided additional personal characteristic information. Due to these small numbers no further analysis has been carried out on these records.
- 2.2 During 2012-13 the Council continued to reduce its full time equivalent workforce by 4 per cent; having lost 5 per cent the previous year and nearly 8 per cent between December 2009 and March 2011. In the last 5 years the shape of the organisation has also changed significantly. The largest change has been a reduction of staff at Range A, i.e. the lowest grade range in the Council's pay structure, of 47 percent over this time as the Council moved to reduce back office staff and contracting out services such as homecare. The second largest reduction has been a 16 percent reduction of senior management, as managers have been reduced and services shared across the three Councils.
- 2.3 The organisation continued to contract in 2012-13. Fewer staff were made redundant (78 staff in 2012-13) compared with the previous year (126 in 2011-12). While 34 per cent of staff who left were not replaced (296 leavers; 194 appointments) compared with 43 per cent during 2011-12 (342 leavers; 197 appointments).
- 2.4 In April 2012 a number of Tri and Bi-borough departments were established. Significant work has been undertaken by the Human Resources Department, consolidating the new structures, supporting recruitment and termination of employment and working to ensure that managers are able to access the advice they need.

- 2.5 The Council's Budget Proposal's 2013-14, reported pay per officer reduced by 5.5 percent compared with 2008, as the result of a number of pay restraint activities.
- 2.6 Diversity has remained largely unchanged across the Council with around 60 per cent of staff being women and 30 per cent of staff from Black and Minority Ethnic (BAME) groups; 3.5 per cent of staff identified that they had a disability and the average age of Council staff was 44.
- 2.7 There is some evidence drawn from the wider working population in the UK that people in minority groups have more difficulty at times when the economy is squeezed. It is reassuring that the ratios of women, BAME and disabled staff recruited by the Council during 2012-13 remained at a level consistent with the Council's workforce and were not adversely affected by the wider economic conditions.
- 2.8 The average length of service of all staff increased to 8 years. This is to be expected with fewer people joining the Council in the last year. However, with the reduction in staff this would give an indication that the Council remains stable and is able to retain experienced staff despite the changes.
- 2.9 In 2012-13 there was a significant increase in the level of sickness. While this is of concern there are a number of factors to take into account. The sickness rate in 2011-12 was the lowest recorded level since 2003 for the Council and the current level is within the range of previous sickness (between 8 to 10 days). There has been considerable organisation change particularly Tri-borough working and the on-going reduction in Full Time Equivalents (FTE's), which has led to a fall in satisfaction as measured in the staff survey.
- 2.10 Sickness continues to be managed proactively with a 10 day sickness trigger for management action, support from the Occupational Health department, introduction of mediation and working with MIND to provide support to staff and managers on health and wellbeing issues. Responsibility for the management of sickness rests with line managers in each department with HR assistance and support as required.

3. Structure of the Council Workforce report

- 3.1 The report is set out in Appendix A. It identifies the key strategic goals of the Council and how ultimately these will be reflected in the workforce management initiatives and future work-plan for 2013-14. Appendix B sets out definitions of the data used in the report.
- 3.2 **Size and composition of the workforce** - Shows the current balance of grades in the workforce and allows the Council to decide whether this profile meets current and future business needs.

- 3.3 **Diversity of the workforce** – Shows the diversity across the workforce by age, disability, ethnicity and gender (including numbers of starters and leavers) and whether strategic goals are being met in having a balanced workforce that reflects the ethnically and culturally diverse community that we serve.
- 3.4 **Recruitment and retention** – Presents a picture of how attractive the Council is to staff when considering the four diversity strands and success in recruiting from these groups. It also reviews the success of the Council in retaining staff over the last three years.
- 3.5 This section allows the Council to consider whether recruitment and retention levels are providing a balanced workforce.
- 3.6 **Employee management** - Reviews employee sickness and identifies the benchmark absence rate for the Council, with key reasons for absence. It also presents the number of disciplinary and grievance cases for the year.
- 3.7 This section allows the Council to think about diversity issues in relation to employee management.
- 3.8 **Pay and benefits** – Shows the breakdown of staff on local and national conditions of employment over the last 3 years including a brief summary of the current key employee benefits. It also shows for senior staff the Retained Pay Scheme for “overall performance” and “achievement of targets” by gender and ethnicity.
- 3.9 **Learning and development** – Presents the training levels provided to employees of the Council. This allows the Council to think about the take up of training by employees in different diversity strands.

Please note that for 2010-11, 2011-12 and 2012-13 the report uses a financial year. But that up to 2009 the report was based on a calendar year. Comparisons with previous years will need to take this into account.

4. CONCLUSION

- 4.1 The Committee is invited to discuss and review the content of this Report.

FOR INFORMATION

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Background papers: NONE

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THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

Appendix A

The Council Workforce Report

1 April 2012 to 31 March 2013

Council Business Strategy and Human Resource Implications

The Royal Borough of Kensington and Chelsea is a complex, democratically accountable organisation, which secures and provides a wide variety of public services. In October 2011, the Council with the London Borough of Hammersmith and Fulham and Westminster City Council embarked on a sharing of services under the Tri and Bi-borough programme, under a vision to “combine services to tackle common problems, improve people’s lives and make public money go further”.

The Council has 2373 employees (excluding staff employed in Schools)

Council Business Strategy

- Sharing of senior officers with our partner boroughs Westminster City Council (WCC) and the London Borough of Hammersmith and Fulham (LBHF) to reduce management costs, back office functions and procurement costs.
- Consolidating staff into fewer buildings
- Using technology so that more transactions can be performed on-line
- Pay restraint: allowing for inflation, pay per officer is about 5.5 per cent lower than it was in 2008
- Recruiting to vacancies only if we are certain that staff are unable to work more efficiently to cover the necessary duties
- Freeing up excellent services, such as the borough’s youth service, to operate independently as a mutual
- Contracting out of, for example, our homecare workers
- Freezing Council tax for residents
- Managing a Government Grant reduction of £8.5 million (6.7 per cent)
- Achieving £10 million of saving through further service efficiencies
- Retaining our services and funding capital projects.



Human Resource Implications

- Implement the Managed Services programme to increase use of technology and online processes and reduce back office staff costs
- Support organisation changes and service reviews and business planning. Offering best practice HR advice through organisation design, recruitment, talent and succession planning and training and development
- Support re-deployment of staff including introducing the London redundancy portal and providing outplacement support
- Identify new recruitment opportunities e.g. interns, providing employment opportunities for unemployed, local graduates
- Embed a performance management culture, under pinned by the Tri-borough values and behaviours, to maximise productivity
- Identify employee engagement interventions including a new Tri-borough staff survey
- Continue to manage contracts to identify opportunities to improve value for money
- Maximise the use of existing technology to improve staff and managers access to Human Resources services (e.g. TriBnet and InfoPath).

Human Resources Achievements and Future Plans

Achievements in 2012-13

- Identification of lead HR Advisers for all services across Tri-borough, published a service guide for Tri-borough managers and reviewed and aligned Human Resources policies, procedures and reporting
- Launch of new Bi-borough learning department to support learning and development needs across Bi-borough services
- Launch of TriBnet Human Resources area to support managers in Bi and Tri-borough services
- Launch of the managers' dashboard to support online processes across Tri-borough managers
- Redesigned and re-branded policies and procedures for staff with a disability as actions arising from feedback from disabled staff in the staff survey
- Brought the Occupational Health department back in house making a saving of £100k
- Re-procuring the agency contract to achieve a predicted saving of £160k per annum
- Launched a new Learning Management System
- Introduced changes arising from the new legislation on Pension auto enrolment
- Agreed Tri-borough behaviours and values and a unified performance appraisal process
- Bi-borough Staff Awards launched in November 2012
- Ran the 'Your Voice' staff survey in 2012.



Future Plans

- Deliver the Managed Service Programme to provide joint HR and Finance systems for managers and staff across all 3 partner Councils, increase online transactional processes and reduce staff costs
- Review policy and practice in recruitment, training, performance management and reward to incorporate the new Tri-borough values and behaviours
- Deliver a single Tri-borough staff survey across all 3 partner Council's to enhance management decisions in supporting employee engagement and staff wellbeing
- Manage the Bi-borough Staff Awards ceremony for 2013 and the Long Service Awards ceremony
- Continue to provide expert HR advice and support to service reviews and other organisation changes including employee mutual's and outsourcing
- Use internships offer employment opportunity to unemployed graduates and local residents
- Support the changes to the new Disclosure and Barring Service (formerly CRB)
- Embed the new Bi-borough learning and development programme
- Run a management conference in November 2013 to feedback Staff Survey results and agree priorities for action

Size and Composition of the Workforce

The Council has 2373 employees (headcount) / 2144 (FTE) structured across 7 service groups.

The size of the workforce decreased in 2012-13 by 4% with a 14% reduction at Pay Band 2.

- Male workers at RBKC represent 41% of the Council's workforce (All Local Government - 25% male, London Boroughs - 27% male)¹
- Full Time workers represent 86% of the Council's workforce (All Local Government - 46%, London Boroughs - 55%)¹

Up to 2009 the Council had remained fairly stable for some years with a workforce of around 2500 FTE. Between December 2008 and April 2013 the FTE workforce reduced by 18 per cent.

Between 2011-12 and 2012-13, there was a total reduction of 92 staff (FTE).

Pay Bands for charts: (full details in Appendix B)

8 - Management Board

7 - Business Group Management Team

6 - Top 200 Managers

5 - Hay Managers i.e. those on performance related contracts

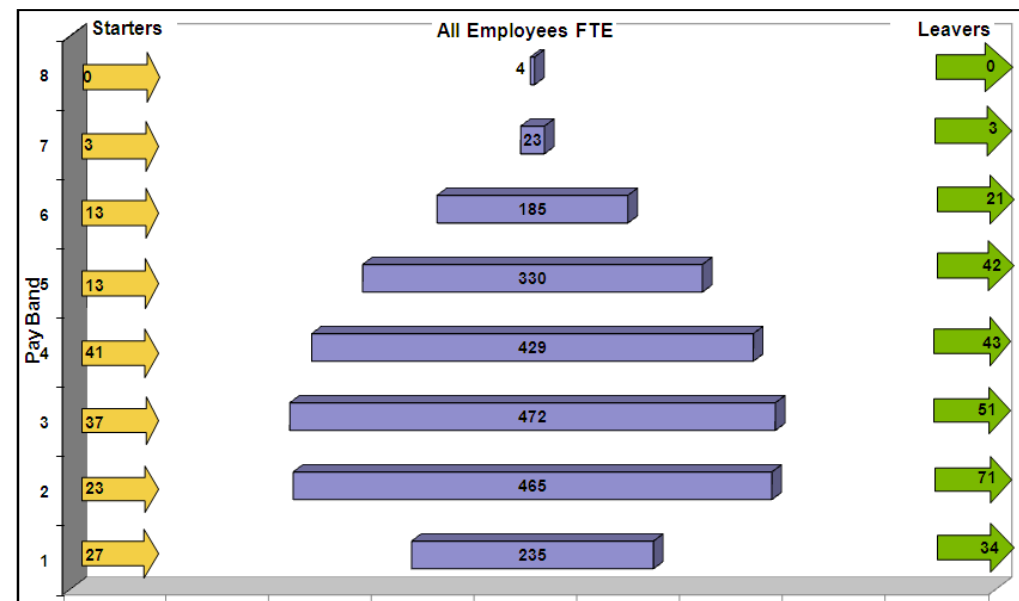
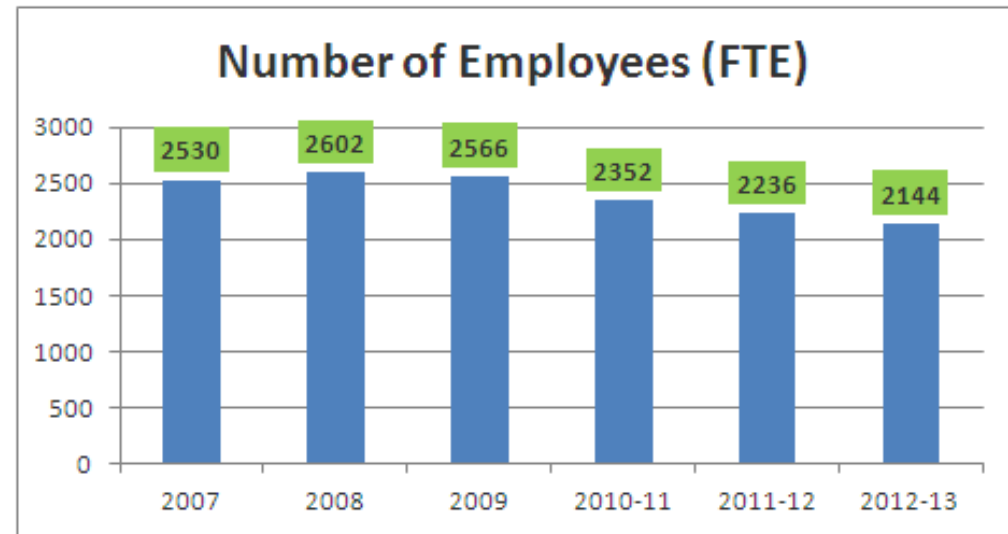
4 - Range D

3 - Range C

2 - Range B

1 - Range A

¹ Local Government Demographics, October 2010 –Local Government Group



Diversity of the Workforce

Gender

The gender diversity across all Council staff is 59% female to 41% male. Across the pay bands the largest representation of women is at level 4 pay band (Range D and equivalent) where 66% of staff are women. This is where the majority of the professional grades are (e.g. Social Workers). By comparison, the lowest representation currently is at Management Board level where no staff are women.

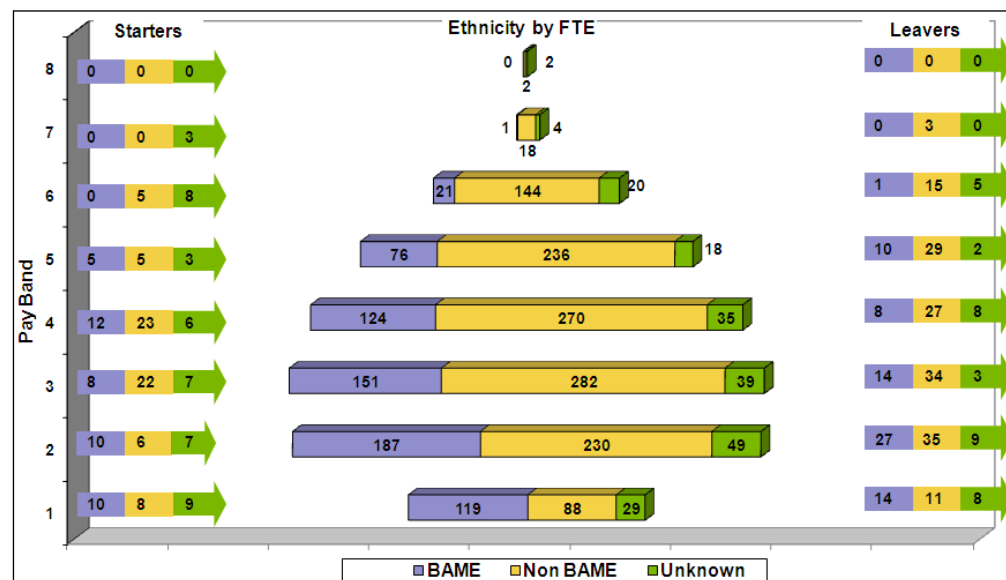
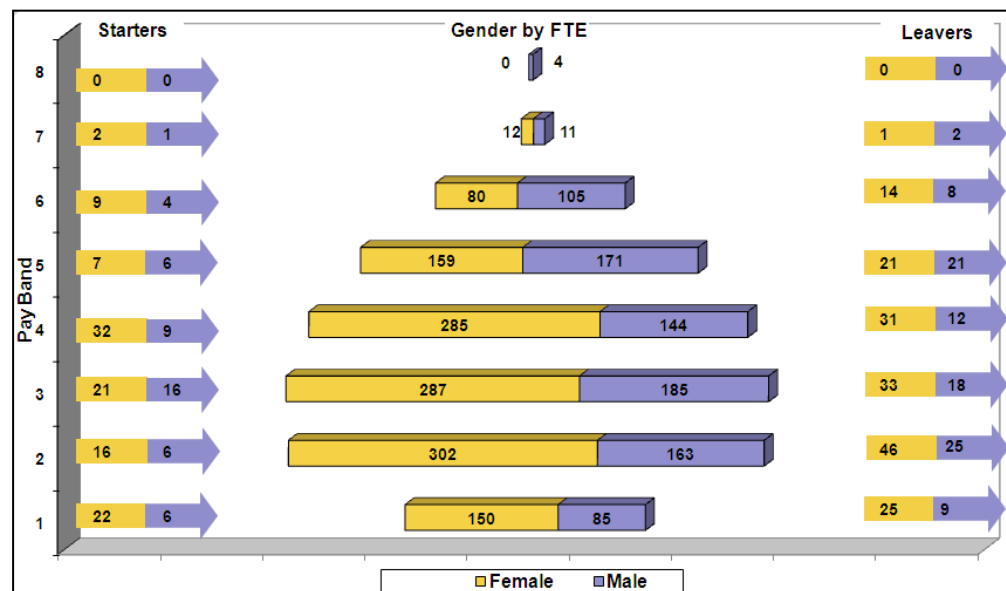
Between 2008 and 2012-13 the gender ratio has been consistent, with around 60% of staff being female.

Between 2008 and 2012-13 there has been an increase in female staff in senior management (bands 6, 7 and 8) to 43% (38% in 2008).

Ethnicity

The ethnicity of the Council is 32% from Black, Asian and Minority ethnic (BAME) groups. The highest representation is at level 1 pay band (Range A and equivalent) with 50% of staff from BAME groups. The lowest representation is at the senior management levels, with 11% at band 6, 4% at band 7 and 0% at band 8.

The RBKC population was 29% BAME in the 2011 census. Within the 4 lower pay bands the workforce meets or exceeds 29%. The number of BAME staff in senior management (bands 6, 7 and 8) remained at 10%.

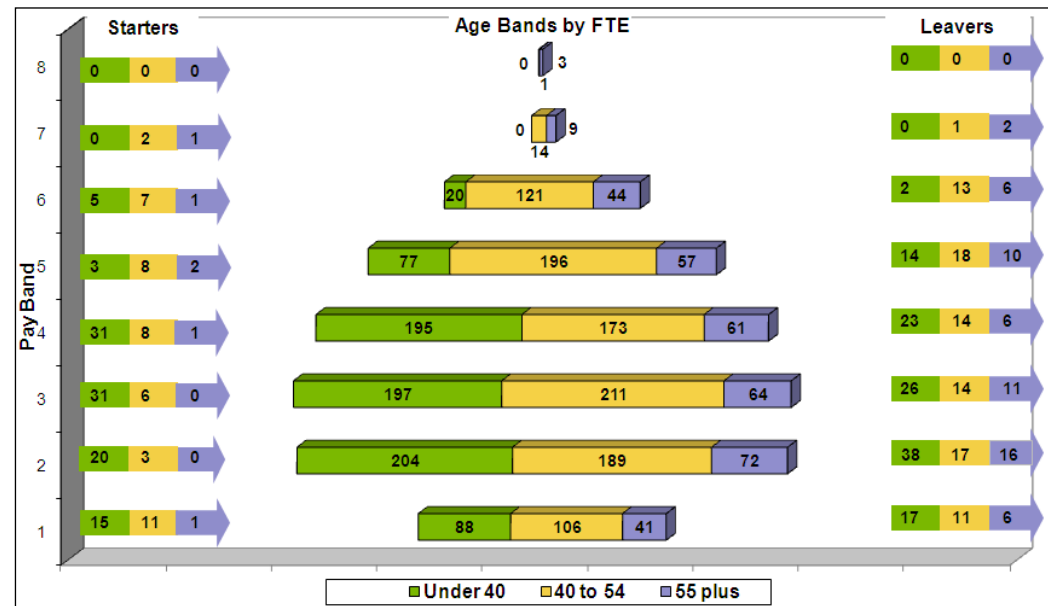


Age

The average age of staff is 44. The age profile is marginally younger than comparators, with 36% of employees under 40 in the Council (England and Wales Local Government 32%). Staff aged 20 or under represent 0.05% (0.2% in 2011-12) of the workforce whilst staff aged 66 and over represent 0.45% (0.6% in 2011-12).

The age of both starters and leavers tends to be younger with 68% of starters under 40 and 45% of leavers under 40.

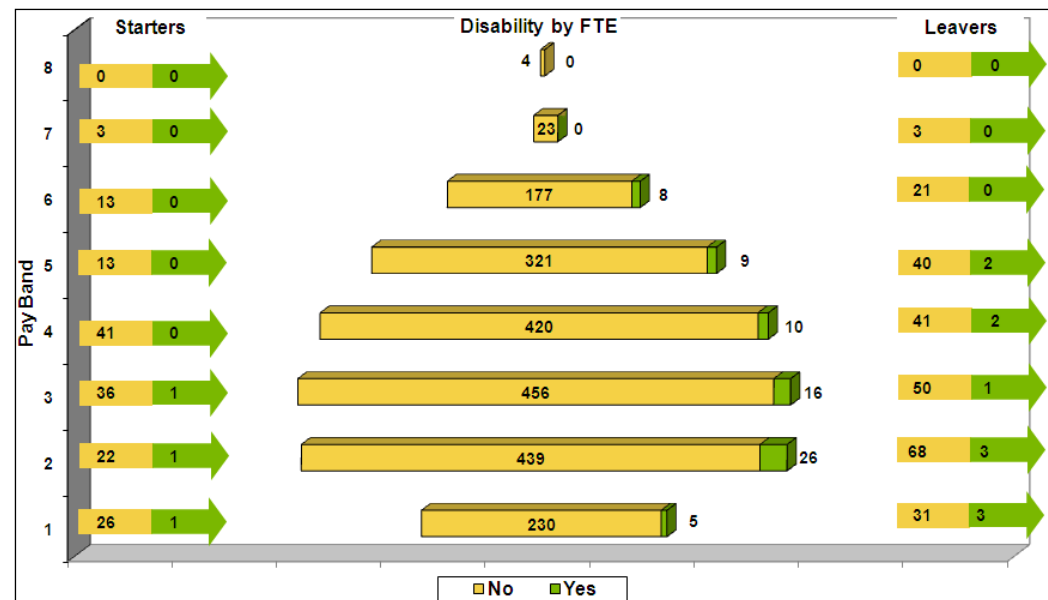
The average age of the workforce has marginally increased since 2008 (42).



Disability

3.5% of staff identified themselves as having a disability. As with 2011-12, there are currently no employees that identified themselves with a disability at pay bands 7 or 8. There were only 3 starters that identified themselves with a disability in 2012-13. There were 11 leavers that identified themselves with a disability (4% of all leavers in 2012-13).

The level of the workforce identifying themselves as disabled increased in 2012-13 (3.5%) compared to 2011-12 (3.2%).



Recruitment and Retention

Recruitment

Recruitment to the Council in 2012-13 showed fewer applicants (3116, 5% down on 2011-12) and a decrease in posts being advertised (194 appointments, 2% down on 2011-12).

Both disabled applicants and appointments increased by 1% compared to 2011-12. BAME applicants increased by 4% but BAME appointments remained at 32%.

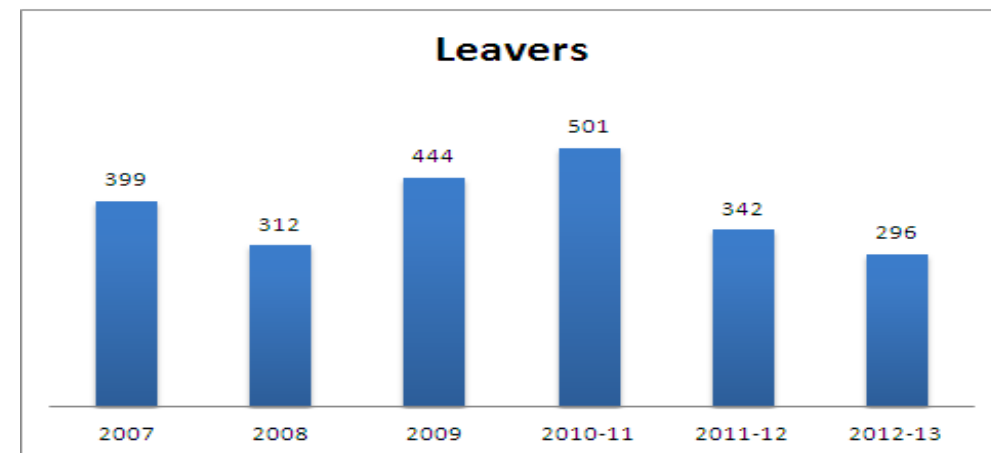
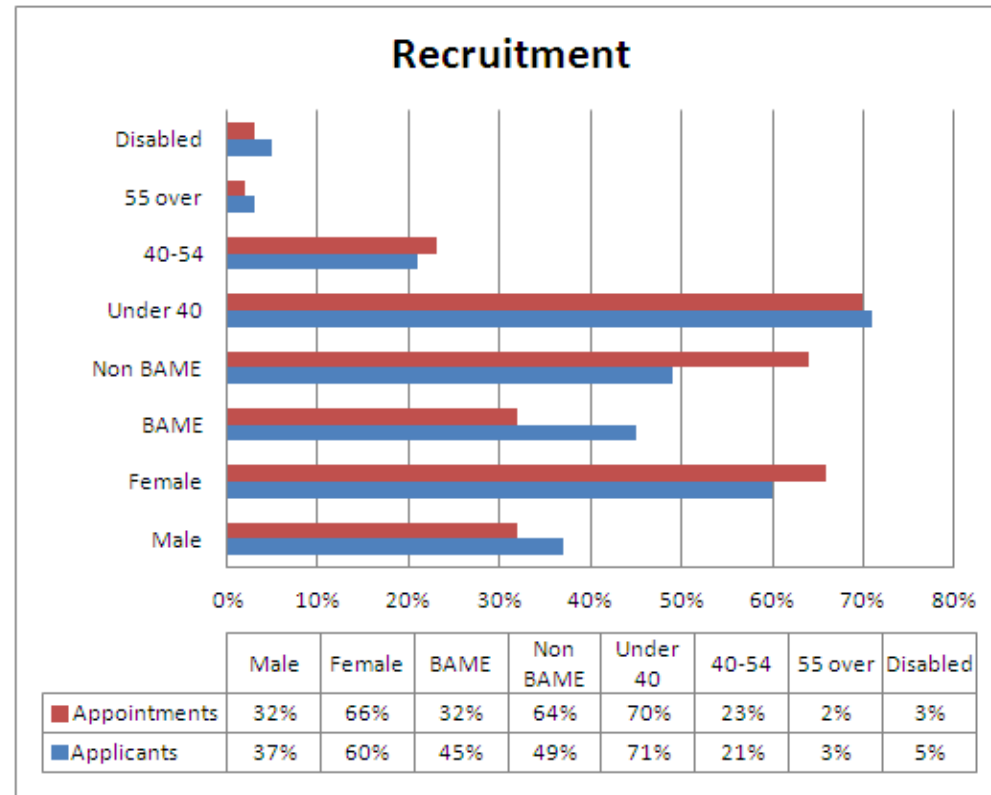
The profile of applications to appointments across all 3 age groups are comparable and the Council is successful in attracting applications from most ages, although the majority (71%) of applicants are less than 40 years and 3% are over 55.

Retention

A total of 296 (266 FTE) employees left during 2012-13, of these:

- 51% were voluntary, 49% were involuntary, this is a slight change from last year when 45% were voluntarily and 55% were involuntary.
- 17 were retirements (16 in 2011-12), and 78 were redundancies (a decrease from 126 in 2011-12).
- There were 3 ill health retirements.
- There were 148 resignations, 12% of these were due to career progression, 12% due to personal reasons and no one reported leaving due to salary issues.

The average length of service for the Council is 8 years, up from 7 in 2011-12.



Employee Management

Sickness

Sickness days increased this year by 1.7 days per FTE compared with 2011-12. This is a significant increase. However, 2011-12 was the lowest level recorded and sickness over time has generally fluctuated between 8 and 10 days.

The percentage of working time lost is 4.1% (Public Sector 3.9%; Local Government 3.6%).

Long term sickness (20+ days) made up 60% of all sickness. 31% of long term sickness was for reason of Mental Health.

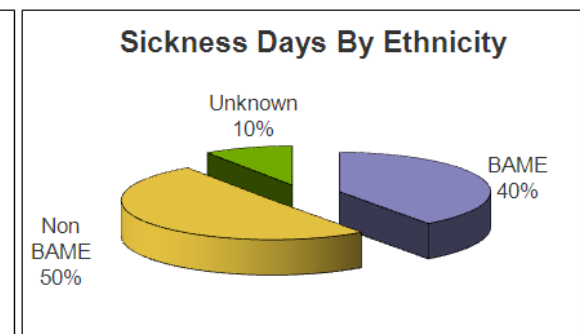
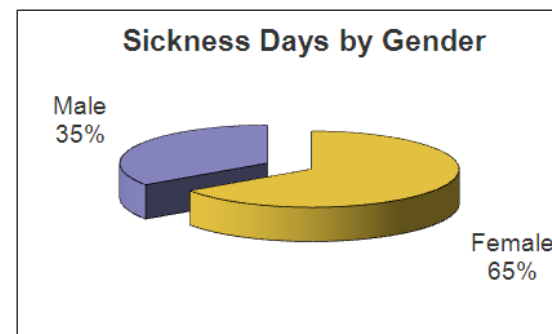
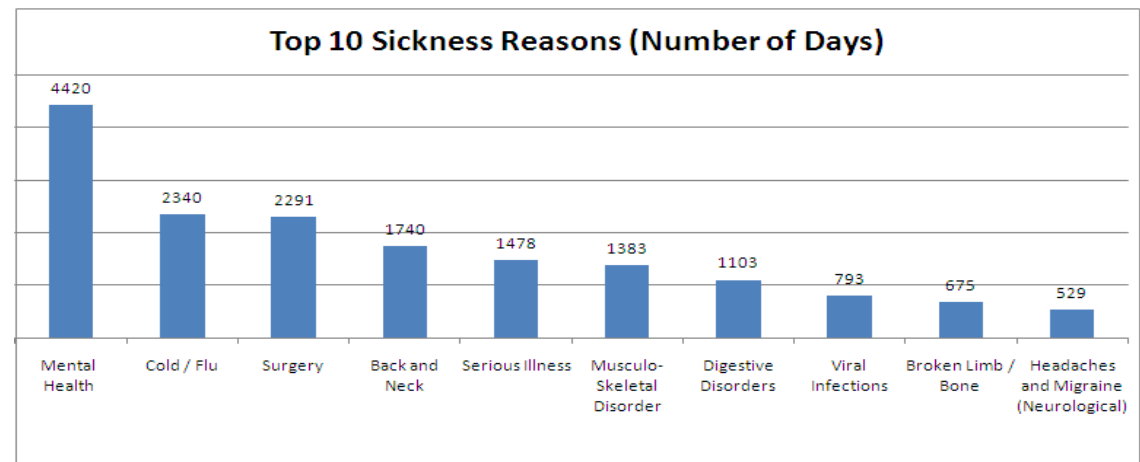
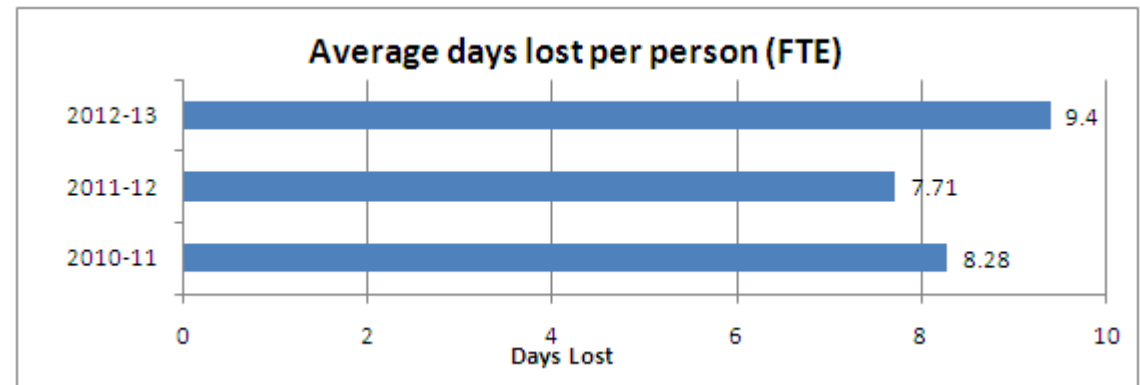
Disciplinary and Grievance (Headcount Figures)

24 employees were disciplined on the grounds of misconduct or capability (27 in 2011-12, 14 in 2010)

- The gender ratio was 36% male, 64% female (compared to 41%, 59% respectively for the Council)
- The ethnicity breakdown is 56% BAME, 36% Non BAME, 8% Unknown (compared to 42%, 46%, 12% respectively for the Council)
- 2 employees (8%) had a disability (compared to 3.5% for the Council)
- Average age of employees is 45 compared to 44 for the Council)

There were 8 formal grievance hearings held in 2012-13.

2. CIPD April 2012 data



Pay and Benefits

There are 825 employees in jobs on local performance related /retained pay contracts (HAY) (a decrease of 32 from last year). The breakdown of employees by headcount in HAY) posts is:

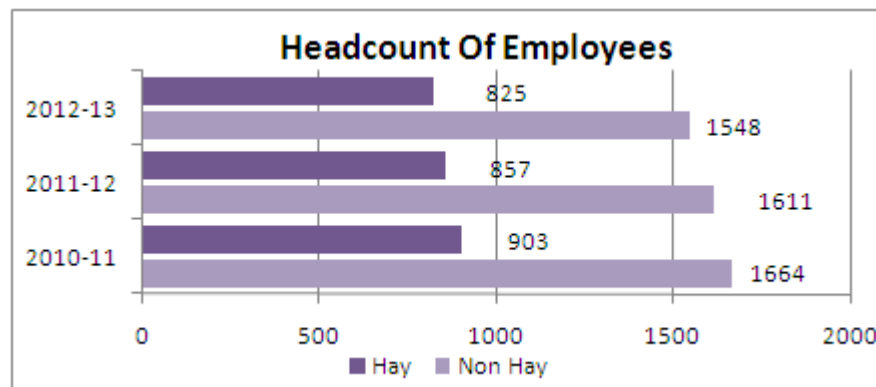
- 48% male, 52% female (compared to 41%, 59% respectively for the Council)
- 21% BAME, 72% Non BAME, 7% Unknown (compared to 42%, 46%, 12% respectively for the Council)
- 2.7% with a declared disability (compared to 3.5% for the Council)
- Average age is 46 (compared to 44 for the Council)

Below is a list of the main benefits we offer to all permanent employees along with approximate numbers of staff taking up the benefit:

- Season ticket loan – 1557
- Childcare vouchers – 57
- Cycle to Work – 16

The Council operates a performance related retained pay scheme (Hay) for senior staff.

- 11% of staff on Hay contracts were rated “Exceptional” for Overall Performance (A), an increase of 4% from last year and 6% on the previous year.
- 6% of staff on Hay contracts received a rating of “Exceptional” (1) for Achievement of Targets, compared to 5.6% last year. 5 employees failed to achieve all their targets, up from 2 last year.



Ratings May 2013

Headcount and Average Score

	Overall Performance					Achievement of Targets				
	A	B	C	D	Score	1	2	3	4	Score
Male	45	280	49	2	2.0	28	308	37	3	2.0
Female	41	323	42	1	2.0	19	347	39	2	2.1
BAME	13	125	25	2	2.1	4	139	20	2	2.1
Non BAME	63	447	52	1	2.0	35	483	43	2	2.0
Unknown	10	31	14	0	2.1	8	33	13	1	2.1

Percentage

	Overall Performance					Achievement of Targets				
	A	B	C	D	Total	1	2	3	4	Total
Male	12%	74%	13%	1%	100%	7%	82%	10%	1%	100%
Female	10%	79%	10%	0%	100%	5%	85%	10%	0%	100%
BAME	8%	76%	15%	1%	100%	2%	84%	12%	1%	100%
Non BAME	11%	79%	9%	0%	100%	6%	86%	8%	0%	100%
Unknown	18%	56%	25%	0%	100%	15%	60%	24%	2%	100%

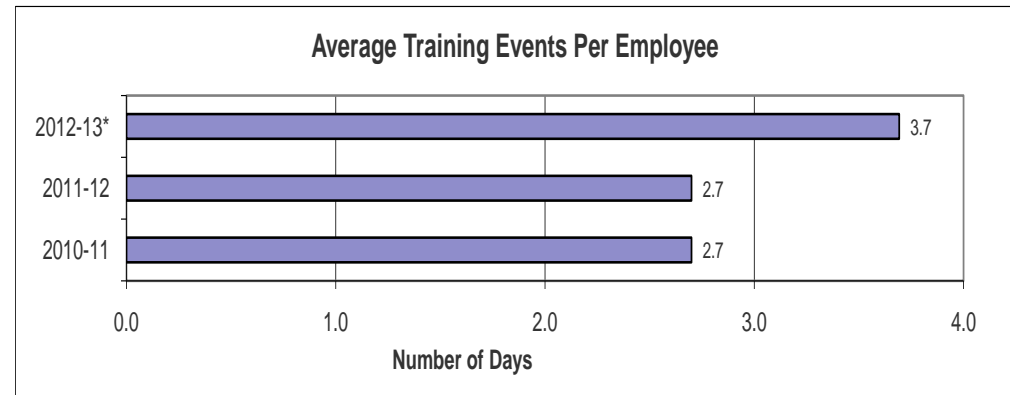
See page 16 for details of Performance Related Retained Pay – Rating Descriptions and Scores

Learning and Development (Headcount Figures)

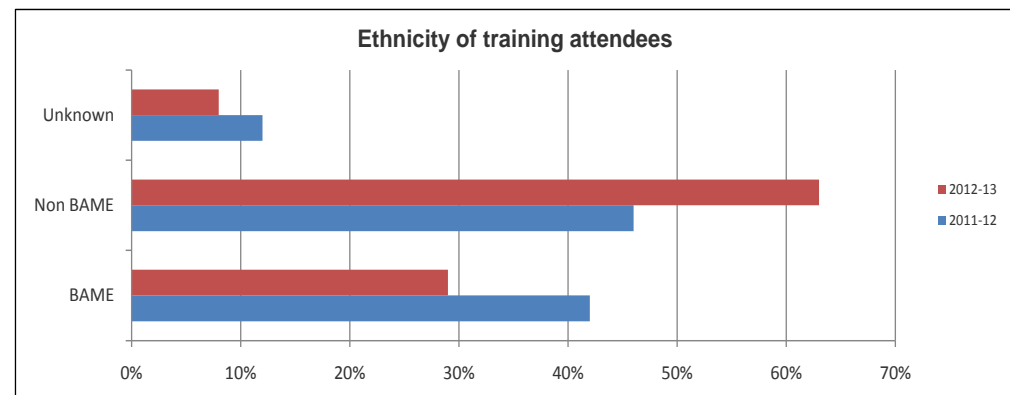
The new Learning Management System was introduced in September 2012. 4505 training days were attended by 1220 staff between September 2012 and March 2013. The average of 3.7 (2.7 in 2011-12) is higher because the new system is more widely used across the Council and therefore more training is being recorded. Anecdotally there is no evidence that training has actually significantly increased across the Council.

The breakdowns of employees who attended training are:

- 33% male, 67% female (compared to 41%, 59% respectively for the Council)
- 29% BAME, 63% Non BAME, 8% Unknown (compared to 42%, 46%, 12% respectively for the Council)
- 3.6% with a declared disability (compared to 3.5% for the Council)
- Average age was 43 (compared to 44 for the Council)



* Data for 2012-13 has only been taken from the new system and therefore only covers records from September 2012.



The Council Staffing Report – Appendix B

Data Definitions

Employee

The employee for this report was defined as a person working for the Royal Borough of Kensington and Chelsea. All employees working in a School or being paid on a claim basis were excluded from the report (including all self employed consultants).

Pay bands

Band	Description	Definition
1	Range A	<ul style="list-style-type: none">• All posts normally identified as Range A for reports• Level 1 Youth Workers
2	Range B	<ul style="list-style-type: none">• All posts normally identified as Range B for reports• Level 2 Youth Workers• Hay Manager scales with a mid-point of the range below the starting salary of Range C
3	Range C	<ul style="list-style-type: none">• All posts normally identified as Range C for reports• Youth and Community Professional Workers on a pay scale within Range C• Hay Manager scales with a mid-point of the range below the starting salary of Range D
4	Range D	<ul style="list-style-type: none">• All posts normally identified as Range D for reports.• Youth and Community Professional Workers on a pay scale within Range D• Hay Managers scales with a mid-point of the range below the starting salary for Range E.• Teacher posts (not working in a school) on a Qualified Teacher grade (W00)
5	Hay Managers	<ul style="list-style-type: none">• All posts normally identified as Range E for reports.• All posts normally identified as Hay Managers for reports (not identified in other groups)• Teacher posts (not working in a school) on a Post Threshold Teacher grade (P00)
6	Top 200 Managers	<ul style="list-style-type: none">• All posts normally identified as Top 200 Managers for reports.• Teacher posts (not working in a school) on a Leadership (L00) or Headteacher grade
7	BG Management Team	<ul style="list-style-type: none">• All posts normally identified as BG Management Team for reports.
8	Management Board	<ul style="list-style-type: none">• All posts normally identified as Management Board posts for reports.

Performance Related Retained Pay – Rating

PRP Ratings Guide					
Overall Performance			Targets Achieved		
Rating	Score		Rating	Score	Definition
A	1	Highly Effective	1	1	Exceptional
B	2	Fully Effective	2	2	All Targets Achieved
C	3	Mostly Effective	3	3	Most Targets Achieved
D	4	Limited Effectiveness	4	4	Targets Not Achieved

The average score is calculated using the formula below:

$$\frac{\text{Total (headcount of number who achieved rating for group x Score)}}{\text{Total headcount of group (e.g. male employees)}}$$

Staff Benefits

Two of the benefits that were included on page 13 of the report are classed as Salary Sacrifice schemes. This gives a Tax and National Insurance saving to the employee. (Childcare Vouchers and Cycle to Work Scheme)