

LONDON BOROUGH OF MERTON

FIRST DRAFT ANNUAL EQUALITIES AND DIVERSITY IN EMPLOYMENT REPORT

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Against the backdrop of the COVID-19 pandemic, the death of George Floyd in the US and the resurgence of the Black Lives Matter movement, many of Merton's BAME staff expressed their concerns about the COVID-19 risks they may be exposed to in the course of their work for the council. They shared their thoughts and emotional responses to the wider structural injustices they are subjected to through racism in society. They saw those injustices and that racism reflected in their experience of working for the Council and challenged the Council to do better.
- 1.2. CMT decided on a range of measures and initiatives in August 2020, amongst which was a more in-depth Annual Equalities & Diversity in Employment Report
- 1.3. CMT considered a paper written by the Chair of the Corporate Equality Steering Group in which the BAME forum suggested that Merton should adopt the NHS's Workforce Race Equality Standards (WRES), which offer a set of objective measures (Indicators 1-9) which could be adapted and adopted for the council to measure and monitor.
- 1.4. The Chief Executive also received a letter from the recognised trade union, Unison that contained a list of requests, not dissimilar to those outlined in the WRES above.
- 1.5. CMT agreed new quarterly and annual metrics in addition to the quarterly Diversity reporting that HR currently already provide. This first draft of an Annual Equalities & Diversity in Employment Report focusses on BAME staff due to the issues identified in 1.1 to 1.4 above. HR will publish future versions of this report in April each year covering the previous year, and this will extend coverage to other protected characteristics.
- 1.6. The main findings are that:
 - The proportion of BAME staff in the workforce continues to increase, yet there remain no BAME staff with salaries over £80k per annum, and BAME staff constitute a low proportion of our top 5% earners. This is consistent with the last reported BAME pay gap compared to White employees where pay was 12.5% lower (mean) and 9.5% lower (median), primarily due to the concentration of BAME staff in lower grades.
 - Whilst the Council is able to recruit BAME staff at a higher rate than presently in the workforce, BAME staff are less likely to remain after a period of time than their white colleagues i.e. their retention rates are lower. The reason the proportion of BAME staff is still increasing is because recruitment outstrips exits
 - BAME staff are more likely to feature in the formal stages of capability and attendance procedures (though it should be noted that the numbers of these cases is low), they are no more likely to face disciplinary action but are more likely to have disciplinary sanctions. BAME staff are more likely to raise a grievance or take a case to Employment Tribunal
 - BAME staff are more likely to be promoted (regraded or appointed to higher graded posts) than white staff
 - BAME staff are more likely to attend Learning and Development events than white staff but are less likely to attend Leadership and Management training (with the exception of Community and Housing where 80% attending were BAME).

2. DETAILED DATA AND ANALYSIS

2.1 Percentage of BAME staff in the workforce

% ethnic minorities	30-Sep-17	31-Mar-18	30-Sep-18	31-Mar-19	30-Sep-19	31-Mar-20	30-Sep-20	Current not known
CHILDREN SCHOOLS & FAMILIES	30.4%	31.0%	30.6%	31.2%	33.6%	33.6%	33.9%	
COMMUNITY & HOUSING	42.9%	44.0%	44.1%	45.4%	48.0%	48.1%	48.1%	7.1%
CORPORATE SERVICES	26.3%	28.3%	28.2%	27.4%	27.9%	28.7%	29.6%	8.0%
ENVIRONMENT & REGENERATION	20.7%	22.0%	22.1%	21.6%	22.2%	23.1%	25.3%	10.3%
Grand Total	30.0%	31.5%	31.2%	31.5%	33.1%	33.7%	34.4%	17.1%
<i>London Councils Median Benchmark</i>		38.8%		40.0%				10.3%

The percentage of BAME staff in the workforce is increasing in all Departments, and overall was 34.4% as at 30th September 2020.

2.2. Percentage of BAME staff amongst top 5% of earners

% ethnic minorities	30-Sep-17	31-Mar-18	30-Sep-18	31-Mar-19	30-Sep-19	31-Mar-20	30-Sep-20	Current not known
CHILDREN SCHOOLS & FAMILIES	0.0%	5.9%	16.1%	14.3%	4.6%	4.6%	5.3%	9.5%
COMMUNITY & HOUSING	11.1%	11.1%	12.5%	11.1%	30.0%	25.0%	28.6%	22.2%
CORPORATE SERVICES	14.3%	18.5%	19.4%	17.1%	15.4%	16.7%	19.2%	18.8%
ENVIRONMENT & REGENERATION	0.0%	0.0%	5.9%	8.3%	0.0%	0.0%	0.0%	14.3%
Grand Total	7.3%	10.1%	15.1%	14.1%	11.4%	11.4%	13.9%	16.3%
<i>London Councils Median Benchmark</i>		17.0%		17.0%				

This measure enables us to benchmark with other councils in London. The percentage of BAME staff amongst the top 5% of earners has varied over the period but at 13.9% remains well below the overall workforce percentage of 34.4%.

2.3 Current workforce profile by salary band

As at 30 September 2020

Basic salary band	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	BAME Overall
Up to £19,999 per annum	15.38%	30.77%	23.08%	0.00%	30.77%	69.23%
£20,000 to £39,999 per annum	8.70%	22.73%	4.26%	1.06%	63.25%	36.86%
£40,000 to £59,999 per annum	7.42%	20.19%	2.55%	0.70%	69.14%	31.28%
£60,000 to £79,999 per annum	10.53%	5.26%	0.00%	0.00%	84.21%	17.02%
£80,000 to £99,999 per annum	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Over £100,000 per annum	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Grand Total	8.42%	21.31%	3.76%	0.91%	65.61%	34.81%

There is a larger proportion of BAME employees on salaries up to £59,999 per annum. There are no BAME employees earning above £80,000 per annum. It should be noted that the bottom salary band mainly covers a relatively small number of entry level Apprentices on London Living Wage.

2.4 Joiners by salary band

1 October 2019 to 30 September 2020

Basic salary band	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	BAME Overall
Up to £19,999 per annum	0.00%	33.33%	0.00%	0.00%	66.67%	33.33%
£20,000 to £39,999 per annum	8.89%	36.67%	5.56%	0.00%	48.89%	51.12%
£40,000 to £59,999 per annum	11.11%	28.89%	0.00%	0.00%	60.00%	40.00%
£60,000 to £79,999 per annum	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
£80,000 to £99,999 per annum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Over £100,000 per annum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grand Total	9.09%	32.87%	3.50%	0.00%	54.55%	45.46%

“Joiners” here includes staff who are new to the borough, as well as agency conversions to perm, but will exclude internal promotions. BAME employees make up a larger proportion (45%) of new starters in the rolling year than the current overall workforce profile (35%). There have been no new starters above £80,000 in the period.

2.5 Leavers by Salary Band

1 October 2019 to 30 September 2020

Basic salary band	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	BAME Overall
Up to £19,999 per annum	0.00%	40.00%	0.00%	0.00%	60.00%	40.00%
£20,000 to £39,999 per annum	7.29%	25.00%	8.33%	1.04%	58.33%	41.66%
£40,000 to £59,999 per annum	3.64%	18.18%	7.27%	0.00%	70.91%	29.09%
£60,000 to £79,999 per annum	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
£80,000 to £99,999 per annum	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Over £100,000 per annum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grand Total	5.52%	22.09%	7.36%	0.61%	64.42%	35.58%

BAME staff make up 36% of leavers in the rolling year, slightly higher than the percentage of BAME employees in the workforce (34%).

2.6 Recruitment - overall

1 January 2020 to 30 September 2020

2115 applications were received during this period, of which:-			
	BAME	White	Prefer not to say
CSF (41% of applications)	60.00%	40.00%	5%
C&H (18% of applications)	61.46%	38.54%	4%
CS (33% of applications)	51.55%	48.45%	3%
E&R (8% of applications)	35.11%	64.89%	6%
Overall	55.48%	64.89%	
432 applications were shortlisted during this period, of which:-			
	BAME	White	Prefer not to say
CSF (57% of those shortlisted)	48%	52.08%	4%
C&H (12% of those shortlisted)	57%	42.86%	2%
CS (20% of those shortlisted)	42%	58.33%	4%
E&R (11% of those shortlisted)	22%	77.55%	2%
Overall	45.02%	54.98%	
174 offers were made during this period, of which:			
	BAME	White	Prefer not to say
CSF (52% of offers)	45.26%	54.74%	5%
C&H (26% of offers)	64.00%	36.00%	0%
CS (14% of offers)	29.17%	70.83%	4%
E&R (8% of offers)	29.00%	71.00%	0%
Overall	46.58%	53.42%	

Due to the introduction of a new recruitment system, data is only available for the last three quarters. This will extend to a full rolling year in future reports. Recruitment will include internal staff who applied for and secured jobs, but not agency conversions or reorganisation direct assimilations.

55% of applicants were BAME, 45% of those shortlisted were BAME and 47% of those offered posts were BAME.

Recruitment – positions above grade MGA

1 January 2020 to 30 September 2020

	BAME	White background	Prefer not to say
57 applications	50%	50%	6%
29 shortlisted	54%	46%	3%
9 offers made	43%	57%	0%

The table provides a further analysis focussing on recruitment for posts graded MGA and above

As there were only 9 offers, there is a risk individuals (and hence whether or not they are BAME) could be identified if further broken down by Department. 50% of applicants of known ethnicity were BAME, 54% of those shortlisted were BAME and 43% of those

appointed were BAME. As the data set increases in size over time so that full year data is available, it may be possible to provide a departmental breakdown.

2.7 Overall Turnover rates

	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	BAME Overall	Workforce Overall
01.10.2017 to 30.09.2018	6.87%	10.84%	19.40%	15.38%	10.20%	11.19%	10.51%
01.10.2018 to 30.09.2019	11.90%	8.87%	9.23%	14.81%	11.45%	9.82%	10.92%
01.10.2019 to 30.09.2020	6.98%	11.11%	19.51%	6.90%	10.20%	10.96%	10.46%

The table compared overall turnover rates (leavers for all reasons) for the last three rolling years. In two of the three years, overall turnover for BAME staff was higher than for White staff.

2.8 Voluntary Turnover rates

Voluntary Turnover Rate (Resignations)							
	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	BAME Overall	Workforce Overall
01.10.2017 to 30.09.2018	6.01%	8.74%	16.42%	15.38%	7.62%	9.33%	8.16%
01.10.2018 to 30.09.2019	7.14%	6.24%	4.62%	14.81%	8.33%	6.48%	7.73%
01.10.2019 to 30.09.2020	4.65%	6.79%	16.26%	6.90%	6.61%	7.37%	6.87%

This table compared Voluntary turnover rates (resignations) for the last three rolling years. In two of the three years, overall turnover for BAME staff was higher than for White staff.

2.9 Stability (Retention)

Stability - percentage of staff remaining in post after 1 year							
As at 30 September 2020							
	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	Workforce Overall	BAME Overall
CHILDREN SCHOOLS & FAMILIES	84.00%	77.23%	79.17%	100.00%	86.09%	84.11%	79.22%
COMMUNITY & HOUSING	94.87%	92.62%	100.00%	100.00%	94.24%	92.50%	93.79%
CORPORATE SERVICES	91.11%	90.16%	100.00%	100.00%	94.24%	93.80%	92.00%
ENVIRONMENT & REGENERATION	100.00%	86.67%	83.33%	100.00%	96.43%	95.58%	90.79%
Grand Total	92.37%	86.63%	89.66%	100.00%	92.31%	91.12%	88.72%
Stability - percentage of staff remaining in post after 2 years							
As at 30 September 2020							
	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	Workforce Overall	BAME Overall
CHILDREN SCHOOLS & FAMILIES	72.00%	62.38%	75.00%	50.00%	77.48%	73.33%	65.58%
COMMUNITY & HOUSING	89.74%	73.77%	90.91%	80.00%	88.48%	64.00%	78.53%
CORPORATE SERVICES	77.78%	80.33%	88.24%	100.00%	87.80%	82.76%	80.80%
ENVIRONMENT & REGENERATION	90.91%	77.78%	66.67%	100.00%	87.50%	92.59%	81.58%
Grand Total	82.44%	72.04%	81.03%	78.57%	84.81%	81.16%	75.75%
Stability - percentage of staff remaining in post after 3 years							
As at 30 September 2020							
	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	Workforce Overall	BAME Overall
CHILDREN SCHOOLS & FAMILIES	60.00%	57.43%	70.83%	50.00%	68.21%	65.78%	59.74%
COMMUNITY & HOUSING	82.05%	66.39%	63.64%	80.00%	81.15%	73.50%	70.06%
CORPORATE SERVICES	64.44%	72.13%	82.35%	100.00%	78.64%	76.92%	71.20%
ENVIRONMENT & REGENERATION	63.64%	66.67%	66.67%	100.00%	77.23%	66.30%	67.11%
Grand Total	68.70%	64.74%	72.41%	78.57%	75.74%	70.75%	66.92%
Stability - percentage of staff remaining in post after 5 years							
As at 30 September 2020							
	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	Workforce Overall	BAME Overall
CHILDREN SCHOOLS & FAMILIES	52.00%	43.56%	41.67%	50.00%	55.96%	51.32%	44.81%
COMMUNITY & HOUSING	82.05%	61.48%	54.55%	60.00%	75.92%	67.75%	65.54%
CORPORATE SERVICES	57.78%	59.02%	58.82%	50.00%	62.37%	62.61%	58.40%
ENVIRONMENT & REGENERATION	54.55%	48.89%	33.33%	66.67%	62.95%	53.04%	50.00%
Grand Total	63.36%	53.80%	48.28%	57.14%	63.21%	58.62%	55.64%

Stability measures the number of staff still in post after a period, in this case after 1 year, 2 years and 3 years. This provides an indication of our ability to retain staff.

Stability is consistently lower for BAME employees after each of 1, 2, 3 and 5 years:

- 92% of White staff remained after 1 year, compared to 89% of BAME staff
- 85% of White staff remained after 2 years, compared to 76% of BAME staff
- 75% of White staff remained after 3 years, compared to 67% of BAME staff
- 63% of White staff remained after 5 years, compared to 56% of BAME staff.

This data, when considered alongside Joiners and Turnover data, suggests we are able to attract BAME staff but are less likely to retain them. The pattern is also more marked for Black or Black British staff.

2.10 Promotions

	Asian or Asian British	Black or Black British	Mixed	White	BAME Overall	Unknown
CHILDREN SCHOOLS & FAMILIES	3.57%	25.00%	14.29%	57.14%	42.86%	6.67%
COMMUNITY & HOUSING	0.00%	58.33%	8.33%	33.33%	66.67%	7.69%
CORPORATE SERVICES	5.56%	16.67%	0.00%	77.78%	22.22%	10.00%
ENVIRONMENT & REGENERATION	0.00%	30.00%	0.00%	70.00%	30.00%	62.96%
Overall	2.94%	29.41%	7.35%	60.29%	39.71%	24.44%

The Council does not have formal succession arrangements or promotions as such, so this metrics covers existing staff who moved to a higher graded post (a post with a higher maximum salary) in the course of the year. This includes staff who applied for and secured a higher graded post, instances where posts were re-evaluated and regraded, and staff who were assimilated to higher graded posts in reorganisations. BAME staff made up 40% of those “promoted” compared to the workforce profile of 34%.

2.11 Employee Relations Cases
1 October 2019 to 30 September 2020

Disciplinary					
	BAME	% BAME	White	% White	Not Known
CHILDREN SCHOOLS & FAMILIES	2	50.00%	2	50.00%	2
COMMUNITY & HOUSING	2	100.00%	0	0.00%	1
CORPORATE SERVICES	0	0.00%	4	100.00%	0
ENVIRONMENT & REGENERATION	1	25.00%	3	75.00%	0
Grand Total	5	35.71%	9	64.29%	3
Disciplinary Sanction					
	BAME	% BAME	White	% White	Not Known
CHILDREN SCHOOLS & FAMILIES	1	50.00%	1	50.00%	2
COMMUNITY & HOUSING	1	100.00%	0	0.00%	1
CORPORATE SERVICES	0	0.00%	2	100.00%	0
ENVIRONMENT & REGENERATION	1	50.00%	1	50.00%	0
Overall	3	42.86%	4	57.14%	3
Capability					
	BAME	% BAME	White	% White	Not Known
CHILDREN SCHOOLS & FAMILIES	3	60.00%	2	40.00%	0
COMMUNITY & HOUSING	1	100.00%	0	0.00%	0
CORPORATE SERVICES	0	0.00%	2	100.00%	0
ENVIRONMENT & REGENERATION	1	50.00%	1	50.00%	0
Overall	5	50.00%	5	50.00%	0
Stage 3 Attendance					
	BAME	% BAME	White	% White	Not Known
CHILDREN SCHOOLS & FAMILIES	2	100.00%	0	0.00%	0
COMMUNITY & HOUSING	4	57.14%	3	42.86%	0
CORPORATE SERVICES	1	50.00%	1	50.00%	0
ENVIRONMENT & REGENERATION	0	0.00%	1	100.00%	0
Overall	7	58.33%	5	41.67%	0
Grievance					
	BAME	% BAME	White	% White	Not Known
CHILDREN SCHOOLS & FAMILIES	9	90.00%	1	10.00%	0
COMMUNITY & HOUSING	1	100.00%	0	0.00%	0
CORPORATE SERVICES	5	41.67%	7	58.33%	0
ENVIRONMENT & REGENERATION	0	0.00%	3	100.00%	1
Overall	15	57.69%	11	42.31%	1
Employment Tribunal					
	BAME	% BAME	White	% White	Not Known
CHILDREN SCHOOLS & FAMILIES	5	83.33%	1	16.67%	0
COMMUNITY & HOUSING	0	0.00%	0	0.00%	0
CORPORATE SERVICES	0	0.00%	0	0.00%	0
ENVIRONMENT & REGENERATION	0	0.00%	1	100.00%	1
Overall	5	71.43%	2	28.57%	1
All casework					
	BAME	% BAME	White	% White	Not Known
CHILDREN SCHOOLS & FAMILIES	19	70.37%	8	29.63%	2
COMMUNITY & HOUSING	6	75.00%	2	25.00%	1
CORPORATE SERVICES	6	33.33%	12	66.67%	0
ENVIRONMENT & REGENERATION	1	10.00%	9	90.00%	1
Overall	32	50.79%	31	49.21%	4

Casework is shown where cases have reached a formal stage. Monitoring data is not available for cases resolved at an informal stage as line managers resolve these locally. Grievance includes employees raising dignity at work/discrimination issues.

Although caution is needed due to the low numbers when broken down by case type, it is clear that overall BAME employees (51% are BAME compared to 34% in the workforce) are more likely to reach formal stages of our employment procedures. Even for Disciplinary, where the proportion of BAME staff (36%) is similar to the workforce (34%), the proportion facing Disciplinary Sanctions is higher (43%).

BAME staff are more likely to raise Grievances, and to bring cases at Employment Tribunal. They are also more likely to face formal action under our attendance procedures.

2.12 Training/Learning and Development

Quarter 2 2020/2021 1 July 2020 to 30 September 2020

Department	Ethnicity					
Course Type	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	BAME Overall	White
Adults social care	0.0%	0.0%	0.0%	0.0%	0.00%	100.0%
Diversity	4.0%	22.0%	0.0%	0.0%	26.0%	74.0%
Health and Safety	0.0%	50.0%	0.0%	0.0%	50.0%	50.0%
IT	0.0%	33.3%	0.0%	0.0%	33.3%	66.7%
Leadership and Management	0.0%	11.1%	0.0%	0.0%	11.1%	88.9%
Supporting staff	6.1%	30.3%	0.0%	0.0%	36.4%	63.6%
CHILDREN SCHOOLS & FAMILIES overall	3.2%	23.0%	0.0%	0.0%	26.2%	73.8%
Adults social care	3.8%	53.0%	1.5%	3.0%	62.1%	37.9%
Diversity	16.1%	44.6%	0.0%	0.0%	62.5%	37.5%
Health and Safety	42.9%	28.6%	0.0%	14.3%	85.7%	14.3%
IT	66.7%	33.3%	0.0%	0.0%	100.0%	0.0%
Leadership and Management	40.0%	40.0%	0.0%	0.0%	80.0%	20.0%
Supporting staff	16.0%	36.0%	0.0%	0.0%	56.0%	44.0%
COMMUNITY & HOUSING overall	12.8%	47.3%	0.8%	2.1%	64.2%	35.8%
Adults social care	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Diversity	15.4%	25.6%	2.6%	0.0%	43.6%	56.4%
Health and Safety	0.0%	0.0%	0.0%	0.0%	0.00%	62.5%
IT	0.0%	0.0%	0.0%	0.0%	0.00%	100.0%
Leadership and Management	11.5%	11.5%	7.7%	0.0%	30.8%	69.2%
Supporting staff	8.3%	18.8%	6.3%	0.0%	37.5%	62.5%
CORPORATE SERVICES overall	11.4%	17.9%	5.7%	0.0%	36.4%	63.6%
Adults social care	0.0%	0.0%	0.0%	0.0%	0.00%	100.0%
Diversity	0.0%	0.0%	0.0%	0.0%	0.00%	100.0%
Health and Safety	0.0%	0.0%	0.0%	0.0%	0.00%	0.0%
IT	66.7%	0.0%	0.0%	0.0%	66.7%	33.3%
Leadership and Management	6.9%	6.9%	0.0%	0.0%	13.8%	86.2%
Supporting staff	0.0%	0.0%	0.0%	0.0%	0.00%	100.0%
ENVIRONMENT & REGENERATION overall	7.0%	3.5%	0.0%	0.0%	10.5%	89.5%
Adults social care	3.7%	51.5%	1.5%	2.9%	60.3%	39.7%
Diversity	11.4%	29.1%	0.6%	0.0%	41.8%	58.2%
Health and Safety	25.0%	25.0%	0.0%	8.3%	58.3%	41.7%
IT	21.1%	26.3%	0.0%	0.0%	47.4%	52.6%
Leadership and Management	12.5%	14.8%	3.1%	0.0%	30.5%	69.5%
Supporting staff	8.7%	22.2%	2.4%	0.0%	35.7%	64.3%
ALL DEPARTMENTS	9.8%	29.5%	1.7%	0.9%	42.8%	57.2%

In Quarter 2, 42.8% of employees attending training were BAME. At the end of September 2020 34.4% of staff in the workforce were BAME. Overall, BAME staff are less likely to attend Leadership and Management Training (30.5%) but are more likely to attend other types of courses. This pattern varies considerably between Departments, for example in Community & Housing 80% of attendees on Leadership and Management training were BAME.

This page is intentionally left blank