

Appendix 1:

Birmingham City Council Workforce Race Equity Review

Organisational Development Team

2019-2020



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Foreword

We live in one of Britain's most diverse cities, and yet opportunities for too many of our citizens continue to be limited as a result of their race, class, gender, economic circumstances or a combination of these factors.

This injustice and inequality have never been acceptable to us. Yet, it's also clear that despite our best intentions over many years, progress is not happening quickly enough. If we want a fairer society, we will all have to work harder and faster to deliver the change that people desperately need.

As a major employer, Birmingham City Council must lead by example. If we are serious about removing barriers and breaking down deep-seated structural inequalities in our city, we have to start by putting our own house in order.

This review is not an easy read. The stark truths it tells may make some of us feel uncomfortable and challenged. So be it: it's about time we faced up to the facts, however difficult they may be to hear. To use an old adage, the first stage of dealing with a problem is to truly acknowledge that you have one. This review spells out the extent to which the Council has not addressed systemic inequalities within its own workforce and the scale of the changes we need to make to put things right.

We can and must do better. I know that my determination to ensure that we do is shared by the Leader of the Council, my Cabinet colleagues, the interim Chief Executive and his senior team. Now is the time for us all to step up and deliver the fundamental changes that our workforce and citizens rightly demand and deserve.



Councillor John Cotton

Executive Summary

Birmingham City Council aspires to be representative of the city, to lead with an inclusive mindset at all strategic and operation levels and to be a place where employees can bring their whole authentic selves to work and thrive. This is not currently the case. The state of equality, diversity and inclusion or equitable outcomes within the Council is not currently good enough and it has not been good enough. This must improve.

There are many definitions of institutional racism, one is defined by Poapchuk, Leiderman, Bivens and Major in *Flipping the Script: White Privilege and Community Building* (2005) as: “Institutional racism refers specifically to the ways in which institutions policies and practices create different outcomes for different racial groups. The institutional policies may never mention any racial group, but their effect is to create advantage for whites and oppression and disadvantage for people from groups classified as people of colour”. Birmingham City Council has much room for improvement in recognising and tackling any inequality. Considering the definition above, insight within this report and excluding any gaps within the data, a definition of being institutionally racist could apply when looking backwards - should our actions for the short, medium and long term not be clear or sustainable, both internally and externally.

Our data shows that:

Current workforce population	Reward	Recruitment and selection	Career Development	Exits
We don't reflect the demographics of our City with 67% of Black, Asian and Minority Ethnic staff being in operational or front-facing services.	There should be no room for inequality. If you are from a Black, Asian and Minority Ethnic community, and your experience and qualifications match your white counterpart, your pay should be equivalent.	We need to recruit more Black, Asian and Minority Ethnic staff at supervisory and management levels throughout the Council.	There is a need to review all roles where promotion and recruitment are concerned, to encourage career development.	We need to review all exits of employees to ensure fair, reasonable, unbiased procedures and processes were adopted to eradicate any inequality

We can assert that Birmingham City Council has serious and immediate action to take to address issues of equity across the workforce. It should be noted however, that there is a significant gap in our equality data despite our best efforts, where around 29% of our ethnicity data is unknown. As a result, we urgently need to close this gap to provide us with a fuller and more accurate picture, and actions are being taken to resolve this.

The inequality within the City Council unfortunately permeates through every level of our organisation. This must be addressed now. The lack of diverse ethnic representation in decision making positions in any Local Authority would be considered to be unacceptable in 2020, but for Birmingham, where 42% of citizens identify as being from a Black, Asian or Minority Ethnic community, this situation is especially troubling.

The image below shows the comparison of Black, Asian and Minority Ethnic with White citizens in the city of Birmingham 2018/19. Black, Asian and Minority Ethnic make up 42% Population. White makes up 58% of the population.



As Europe's youngest city, with so many future leaders, decision makers, entrepreneurs, change makers and valued members of the workforce, it is essential that the Council is an exemplar and aspiration building beacon for the citizens in the city and the West Midlands region.

There are patterns of low representation from Black, Asian and Minority Ethnic communities across the Council, however the largest concentration of ethnic diversity is in the lower grade, lower paid, less secure, fixed term and front-line operational roles. Promotional opportunities, succession planning and professional development across the Council are weak and their absence is especially stark for Black, Asian and Minority Ethnic colleagues. Additionally, the existing recruitment and selection processes are one dimensional and data shows that despite attracting diverse candidates, the chances of being appointed diminish if you are not White across most grades.

Currently there are challenges around the completeness, accuracy and validity of our data and the methods of collection and processing. We are aware that trust levels are low throughout the workforce which may be contributing to the gaps in the data, and these may be further driven by the fact that we do not clearly state the benefit of understanding our workforce to our staff or to the City as a whole.

The Council should be an employer of choice for citizens of Birmingham and the surrounding region. Communities should feel the Council is a place they can learn, develop and add value, but that is currently not the case with local talent.

In order to tackle the issues which have come to light during this review we recognise there are several themes for us to focus on.

Most importantly, we need to rebuild trust across the workforce. This will empower colleagues to feel supported in their roles and able to share their personal challenges, stories and aspirations. Ultimately, we want colleagues to be able to bring their authentic selves to work and to feel safe in sharing their characteristics with us.

The image below shows the comparison of Black, Asian and Minority Ethnic with White staff within Birmingham City Council 2018/19 with Black, Asian and Minority Ethnic make up 28%, White makes up 43%, with 29% being unknown at this time.



To support our improvements, we are addressing our internal policies and processes which impact on the journey our colleagues make, from workforce planning (designing what jobs are important to deliver our services), recruitment and selection, career development through to our culture change framework, which needs realigning with our emerging priorities.

From job descriptions, person specifications, marketing, shortlisting, interview panels and selection, our whole process needs to be stripped back and built again with more fit for purpose and modern inclusive methods.

This review sets out clear actions to address the issues identified at each step of the employee journey in addition to actions around rebuilding trust and improving the quality of our data. Whilst this review is focussed upon racial equity in the workforce, we also publish our Gender Pay Gap Report as required, with associated actions.

Following the insight from this review we will be undertaking a similar review across all protected characteristics.

Introduction

In October 2019 Members requested that the organisation investigate and understand the pay differential between White and Black, Asian and Minority Ethnic employees.

This was further compounded by the COVID-19 impact on our communities (as discussed at Cabinet on 21/07/20), the global call for racial justice articulated by the Black Lives Matter movement and the clear mandate provided by Cabinet for radical change via the “Everyone’s Business, Everyone’s Battle” statement of intent on tackling inequality. It became clear that there must be a review of the Workforce Strategy and associated policies and practices across the Council to enable us to build a workforce that reflects the diversity of the community we serve.

To be a modern Council our aim is to have a workforce that reflects the lived experience of the people it serves. We want to be an employer of choice for Birmingham citizens, with a high - performing, agile and diverse workforce, capable of delivering innovative services which enable the city to grow and ensure every child, citizen and place matters.

Treating people equally, respecting differences and being a truly diverse and inclusive employer is recognised as being fundamental to doing the best we can for the citizens of Birmingham. Not only do we want to be an employer of choice and an exemplar for inclusivity, it is also of utmost importance to us that people from all our communities have the chance to inform and shape the services delivered by the City Council to better meet the needs of all our residents, and in order to do that we need to be more representative at all levels of jobs within the Council.

Birmingham City Council staff colleagues and our citizens rightly expect us to deliver this, and more as part of our drive to challenge and change the pattern of inequality in our city.

This review also enables us to clearly measure against objective two and five of our five statutory Equality Objectives 2019 – 2023¹, as shown below.

- Objective 1 - Understand our diverse communities and embed that understanding in how we shape policy and practice across the Council.
- Objective 2 - Demonstrate inclusive leadership, partnership and a clear organisational commitment to be a leader in equality, diversity and inclusion in the city.
- Objective 3 - Involve and enable our diverse communities to play an active role in civic society and put the citizens’ voice at the heart of decision making.
- Objective 4 - Deliver responsive services and customer care that is accessible and inclusive to individual’s needs and respects faith, beliefs and cultural differences.
- Objective 5 - Encourage and enable a skilled and diverse workforce to build a culture of equality and inclusion in everything we do.

¹ https://www.birmingham.gov.uk/info/20218/equality_and_diversity/646/equality_objectives

The scope of this review

In the course of this review, we have investigated and analysed race and ethnicity data in the following areas:

1. Workforce representation in line with demographics of the City
2. Where people are positioned within the organisation
3. Race pay gap overview
4. Attraction, recruitment and selection
5. Promotions and advancement equality that is representational of the City
6. Employee sentiment (through dignity at work and grievance) and leaver data

Essentially, this review identifies the key and urgent actions that Birmingham City Council will implement in order to address the inequalities identified from the analysis.

The workforce data used to compile this review has been produced by Human Resources from our Human Resources (HR), Finance and Procurement system and covers the period 1st October 2018 to 30th November 2019.

When referring to the ethnic origin groups the following ethnicity descriptions apply -

- Asian or Asian British: Bangladeshi, Chinese, Indian, Kashmiri, Pakistani, Asian other.
- Black or Black British: African, Caribbean, Black other.
- Mixed: Black/Asian, White/Asian, White/Black African, White/Black Caribbean, Mixed other.
- Other: Arab, Jewish, Sikh, Vietnamese, Other.
- White: Albanian, British, Gypsy or Irish Traveller, Irish, White other.

All reporting is dependent on the quality of the data contained within our legacy HR system. Much of this data relies on voluntary disclosure of personal information and whilst efforts have been made to improve the quality of the data there are still some significant gaps.

The introduction of the new HR, Finance and Procurement system will assist going forwards, as this will involve data capture at every opportunity to improve the data we hold.

Workforce Representation

This section sets the scene for where Birmingham City Council is with the workforce according to ethnic profile, grade and pay, focusing on the overall view of the organisation.

Across all data tables there are gaps in data with “unknown” data for ethnicity standing at 23%. In addition, we have significant gaps of 56% for religious belief and 57% for sexual orientation. Trade Unions, the Diversity Alliance Network and staff groups consistently report a lack of trust from portions of the workforce, which results in resistance to releasing their personal data for fear of it being used to unduly affect them.

Ethnic profile of Birmingham the city vs Birmingham City Council

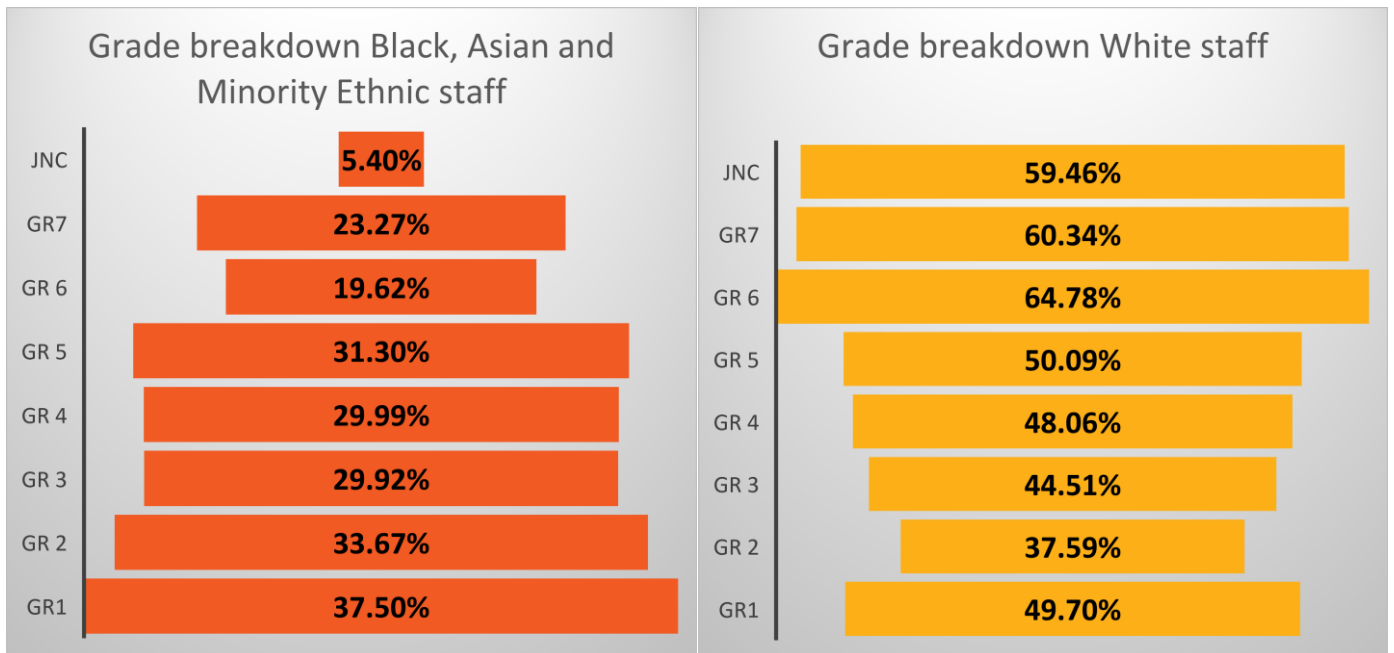
The table below shows the estimated demographic profile of the City of Birmingham in 2018 split by ethnicity² and the Birmingham City Council demographic profile in 2018/19.

<i>Ethnicity</i>	<i>Percentage of the Population 2018</i>	<i>Percentage of BCC workforce 2018/19</i>	<i>Difference</i>
<i>Asian or Asian British</i>	26.6%	14.1%	-12.5%
<i>Black or Black British</i>	8.9%	10.83%	1.93%
<i>Mixed</i>	4.4%	1.55%	-2.85%
<i>Other</i>	2%	1.08%	-0.92%
<i>Black, Asian, Minority Ethnic Total</i>	41.9%	27.56%	-14.34%
<i>White</i>	57.9%	43.35%	-14.55%
<i>Prefer not to say</i>	0%	0.59%	0.59%
<i>Unknown</i>	0%	28.5%	28.5%

Grade representation funnel charts

The charts below visually represent the difference between White and Black, Asian, Minority Ethnic employees. The percentages show the proportion of representation found at each grade.

² sourced from the BCC Research and Insight team



The funnel charts show that there is not equitable city-wide ethnicity representation at any grade. Furthermore, from Grade 5 upwards there is major under-representation when compared to White representation.

In terms of population within the workforce, some 67% of Black, Asian, Minority Ethnic employees are in grades 1-3, as opposed to 60% of White employees. For context, supervisory and management grades commence at Grade 4.

Black, Asian and Minority Ethnic Pay Gap

The Black Asian and Minority Ethnic pay gap is the difference between the total Black Asian and Minority Ethnic and White employees' pay as a percentage of total White employees' pay, irrelevant of role or grade. We have chosen to voluntarily measure the Black Asian and Minority Ethnic pay gap because we want to be transparent with our workforce about the data and put actions in place to eradicate any differences.

The table below shows the overview of this between the numbers of employees as a total, excluding any gaps in the data.

(Positive % means White employees have higher pay).

	<i>Hourly rate Black Asian and Minority Ethnic staff</i>	<i>Hourly rate of White staff</i>	<i>£ Difference</i>
<i>Mean Hourly Rate</i>	£13.62	£14.80	£1.18
<i>Median Hourly Rate</i>	£12.52	£13.29	£0.77

7.9% Mean hourly rate (Mean total earnings divided by total employees)

5.79% Median hourly rate (Median the middle point between the total lowest and highest paid)

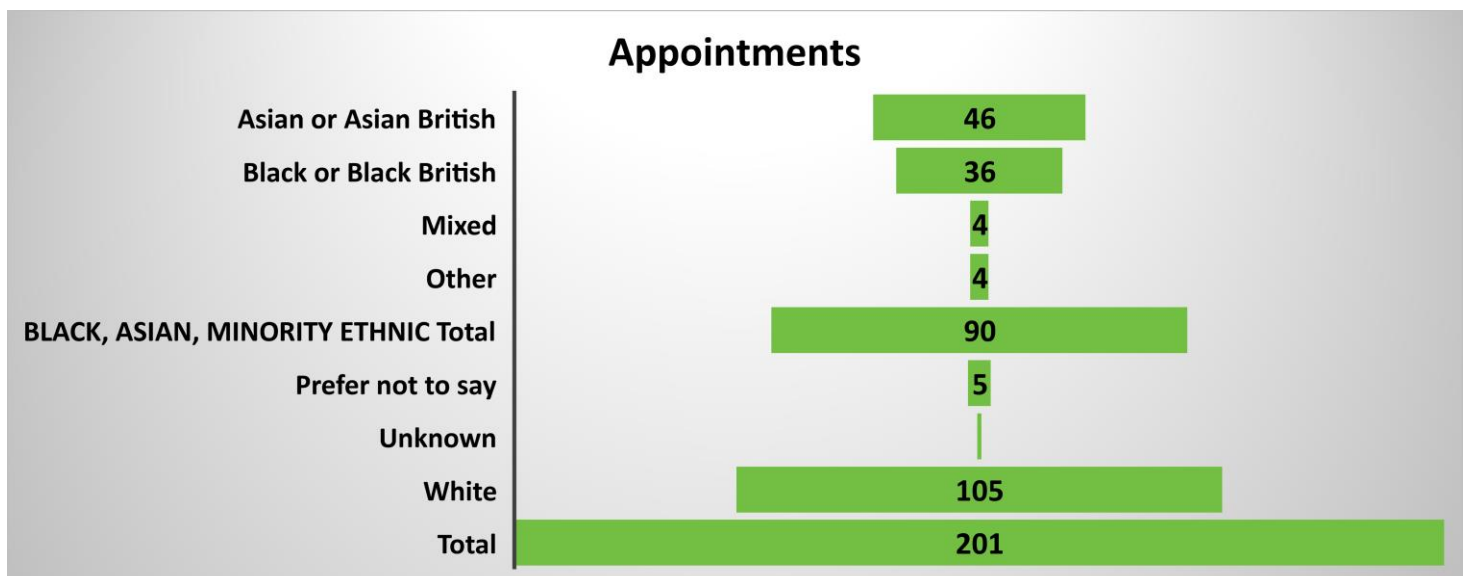
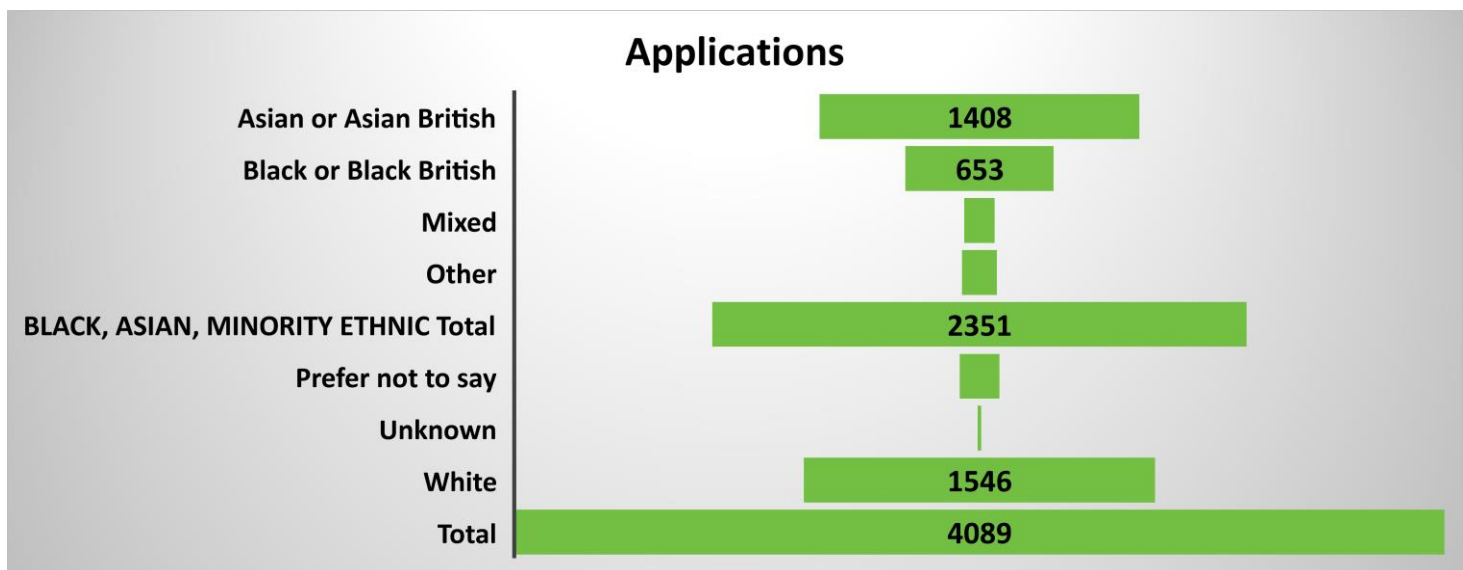
Current workforce population	Reward
We don't reflect the demographics of our City with 67% of Black, Asian and Minority Ethnic staff being in operational or front-facing services.	There should be no room for inequality. If you are from a Black, Asian and Minority Ethnic community, and your experience and qualifications match your white counter-part, your pay should be equivalent.

Employee Journey

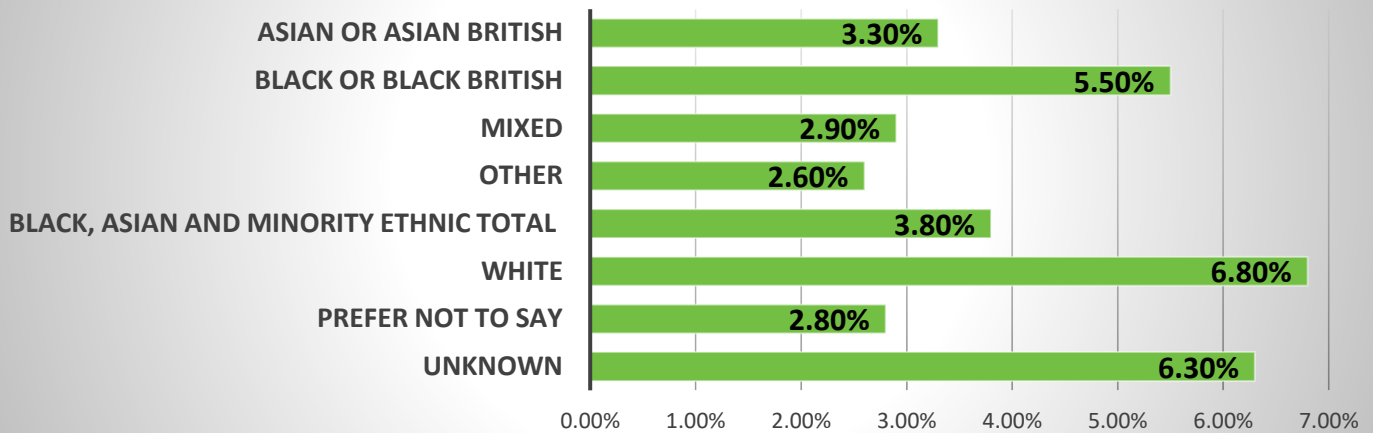
This section shows the different points of the employee journey from recruitment through to exit and identifies issues at each key point.

Recruitment and Selection

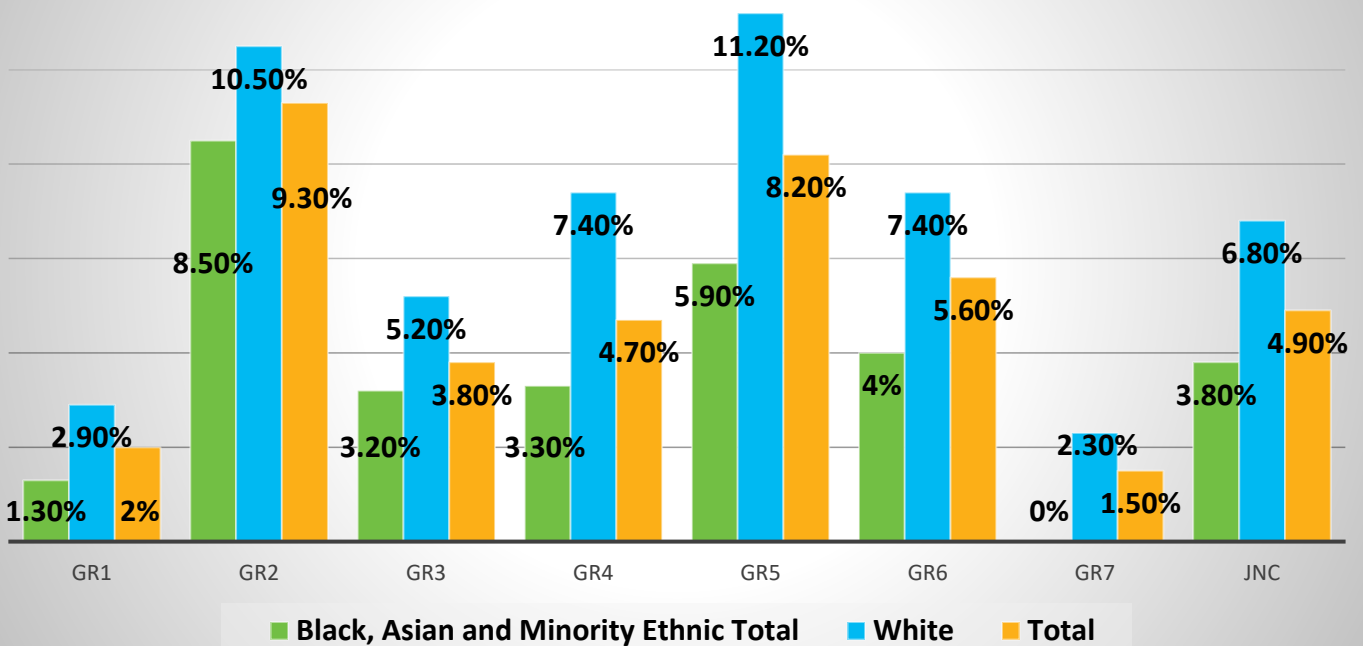
The charts below show the number of applications made over the 12-month period, the appointments for those posts and the applicant success percentage. This is then supported by the success percentage per grade.



Applicant success rate



Applicant success by grade



At a holistic level, 57% of applications come from Black, Asian and Minority Ethnic candidates whereas just 44% of appointments (posts offered and accepted) come from these candidates. Conversely 38% of applicants are White yet 56% of appointments come from these candidates.

When looking more closely across the grades there is a higher success rate for White candidates at all grades, the gap in success rate increases from Grade 4 onwards with a zero-success rate at Grade 7 for Black, Asian and Minority Ethnic candidates.

Career development

Overall from a total of 299 promotions achieved over the period, 86 (28.7%) were Black, Asian, Minority Ethnic colleagues and 86 (28.7%) were White colleagues so an even distribution is seen.

However, upon closer inspection, whilst there is a match at Grade 4 (the first supervisory grade), at Grade 5 and 6 (middle to senior management) more White colleagues were promoted.

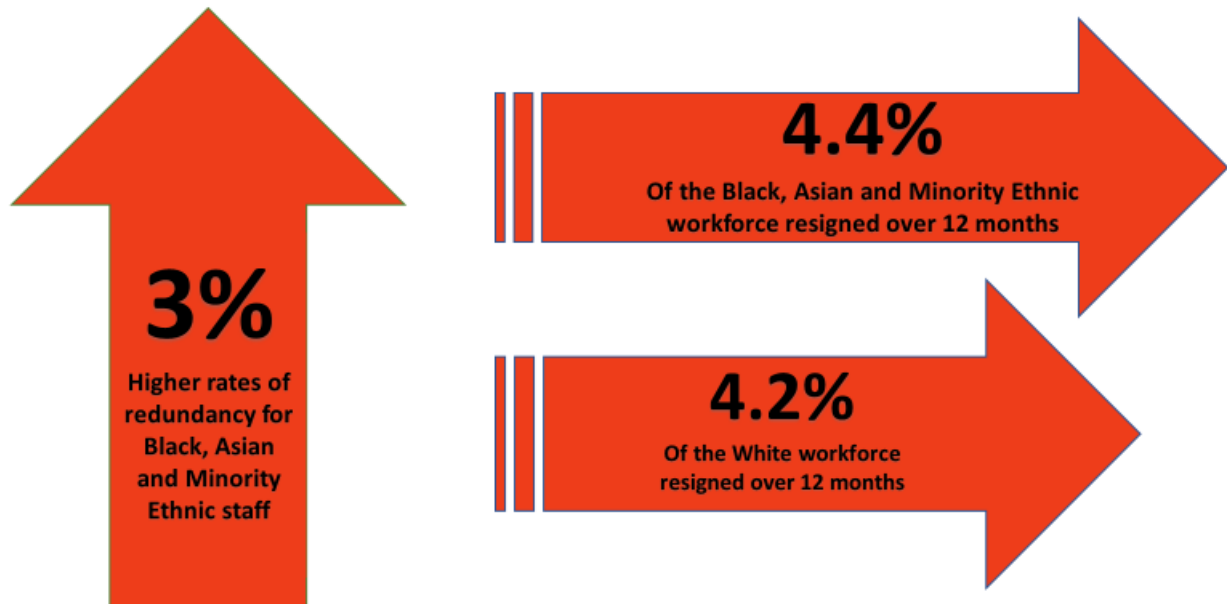
Promotions to Grade 4	Promotions to Grade 5	Promotions to Grade 6	Promotions to Grade 7
40% of promotions were achieved by Black, Asian, Minority Ethnic staff	38% of promotions were achieved by Black, Asian, Minority Ethnic staff	33% of promotions were achieved by Black, Asian, Minority Ethnic staff	50% of promotions were achieved by Black, Asian, Minority Ethnic staff
40% of promotions were achieved by White staff	45% of promotions were achieved by White staff	66% of promotions were achieved by White staff	25% of promotions were achieved by White staff
			25% of promotions had unknown ethnicity

Staff leaving the Council

Over the 12-month period 1160 staff left the Council: 48% through resignation, which remains as our highest leaving reason. Resignations are known as an avoidable exit, in that the staff member has chosen to leave for one of a variety of reasons, such as seeking career development elsewhere, personal issues or dissatisfaction with their employment at the Council.

We have not gathered meaningful data through exit interviews over this period to enable exits to be analysed, something which prohibits our ability to make connections. What we do know is that in the period reviewed, there was a higher likelihood of resignations from Black, Asian, Minority Ethnic colleagues than from White colleagues and that there was a higher proportion of the workforce population resigning.

The graphic below shows an overview of the percentages of staff leaving the authority:



Recruitment and selection	Career Development	Exits
We need to recruit more Black, Asian and Minority Ethnic staff at supervisory and management levels across the Council.	There is a need to review all roles where promotion and recruitment are concerned, to encourage career development.	We need to review all exits of employees to ensure fair, reasonable, unbiased procedures and process were adopted to eradicate any inequality

Recommendations

Our ultimate aim is to be a Council with a fully representative workforce that reflects our communities across all characteristics within 5 years. For clarity, this means by 1st September 2025.

During the 12-month period of this review we recruited 90 Black, Asian, Minority Ethnic colleagues but lost 315, which leads to a workforce population ³change of -225 (-6.7%).

During the same period, we recruited 105 White colleagues but lost 424 which shows a workforce population ⁴change of -319 (also 6.7%).

As such, if we do not act immediately, we will not see any change in our workforce population and will continue to not represent the ethnic diversity of our city.

The Council must lead by example as an employer and take immediate and urgent steps to kick start the change. Whilst we progress, we must also become a beacon for equal opportunities employment and leave no stone unturned in our quest to be a representative and diverse organisation. The exercise undertaken in this review will be repeated across all protected characteristics.

The summary on the next pages defines our actions to address all the issues identified in this review. It shows what we have done so far, what we are doing at the moment and the further steps we will be taking.

Greater detail around timescales, success measures and ownership can be found in the Workforce Race Equity Review Recommendations 2020-2021 Action & Implementation Plan found at Appendix 2.

These recommendations were developed in consultation with relevant groups and individuals and shaped by examples from external organisations from the public private and third sector as well as innovative new approaches grounded in best practice guidance.

³ Population of Black, Asian and Minority Ethnic staff 3343

⁴ Population of White staff 4746

Aim: Represent our City and eliminate the Race Pay Gap within 5 years

Recruitment & Selection:

What have we done:

- Started to review our recruitment and selection policies to ensure that they meet our objectives.
- Started the work to ensure that inclusive language is used at all stages of the employee journey.
- Implemented recruitment and selection and unconscious bias training, which will be mandated for all recruiting managers.

What we are going to do:

- Ensure shortlists for all BCC vacancies, at all levels, will include at least one Black, Asian or Minority Ethnic person and one female candidate, and that every stage of the recruitment process is gender and racially diverse.
- Develop shared recruitment panel membership arrangements with neighbouring authorities, to ensure that panels remain representative if suitable panel members from within BCC are not available for a given interview.
- Investigate the benefits of artificial intelligence in our recruitment marketing to ensure that our opportunities reach all areas of our community.

Career Development:

What have we done:

- Drafted a partnership agreement with Birmingham City University to implement work placements and opportunities for their students.
- Commenced work on the BRUM Pioneer programme aimed at improving the leadership behaviours, with a specific focus on improving inclusivity across our senior leadership community.
- Removed institutional barriers to progression and developing career pathways, specifically we have amended our secondment policy to encourage movement. Staff should not have to choose between career progression or job security.

What we are going to do:

- Review and re-prioritise workforce planning across the organisation to enable us to clearly evidence priority areas for specific workforce actions to be undertaken at speed.

- Co-design and implement talent management and succession planning, ensuring that we identify opportunities to develop diversity across our management structure.
- Implement a bespoke leadership development programme across all levels of leadership which is driven by the individual, therefore removing management bias in candidate nomination.
- Sign up to Business in the Community's Race at Work Charter which has five calls to action, including taking action that supports Black, Asian and Ethnic Minority career progression.

Culture Change

What have we done:

- Implemented our first Culture Change Framework incorporating behavioural indicators.
- Drafted our first equality, diversity and inclusion strategy and implementation plan.
- Commenced work to renew our corporate relationship with staff diversity networks which will include regular check and challenge meetings.
- Implemented annual mandatory equalities training for all staff, this will be further rolled out to every elected Councillor.

What we are going to do:

- Review the Culture Change Framework to reflect the refreshed Council delivery plan and priorities and place equality, diversity and inclusion at the heart of everything we do.
- Formalize reflection and development forums for marginalised communities within the organisation.
- Create a new diversity audit to inform our long-term strategy. We want to be a learning organisation and better understand how to unblock the barriers to a fully inclusive workplace.
- Establish an inclusivity-based reverse mentoring programme that pairs colleagues who may not otherwise come together.
- Develop our coaching capability across the organisation and open up self nomination for coaches and coachees.

Rebuild Trust

What have we done;

- Commenced work on a "Rebuilding Trust" programme which will be delivered across the organisation at all levels. This will be co-designed with Trade Unions and our staff networks.
- Increased quality interactions with trade unions to rebuild the spirit of collaboration around all workforce issues.
- Hosted numerous forums to ask the difficult questions and listen to the lived experience of our colleagues.

What we are going to do:

- Work with independent ethnographic experts, staff networks and our trade union colleagues, we will undertake a root and branch review of our HR policies, procedures, training and other related activity so that we are assured that we are best in class when it comes to equal employment practice and support.
- We will be transparent and open by publishing this review, our Equality, Diversity and Inclusion strategy and workforce equality data.
- We will incorporate race pay gap reporting alongside our gender pay gap reporting.
- HR will implement a regular all staff interactive broadcast to inform and consult on the work, issues, opportunities and progress made.
- Use the Equalities Star Chamber to provide robust internal challenge and scrutiny of the Council's internal equalities practice.
- Implement allyship approach to unlock conversations and support for behavioural change.

Improve data

What have we done:

- Identified the gaps in our data which make it challenging to clearly articulate the issues.
- Commenced discussions with trade unions to improve messaging around the reasons for data collection with our colleagues.
- Implemented mandatory data submission from managers at all stages of the recruitment cycle.

- Commenced data cleansing to support the implementation of the 1B ERP system.
- Contacted each member of the Extended Leadership Team to encourage them to complete their data - we need our leaders to model the behaviours for our colleagues.

What we are going to do:

- Work with our recruitment partners to include mandatory fields around diversity of recruitment panels and shortlists.
- Refresh our approach to Equality Impact Assessments and their use during Workforce Planning and organisational redesigns.
- Review and re-establish a robust exit interview process and reporting.
- Clearly articulate the benefits to our city of gathering meaningful workforce data, work with management teams to close the gaps in our data.
- Undertake a similar deep dive review across all protected characteristics with the intention of bringing together one approach for addressing full representation across the workforce.

Acknowledgments:

Birmingham City Council Human Resources own this review

- Conceived by Mikayla Jones, Culture Change Officer

With input from:

- Kei-Retta Farrell, Culture Change Officer
- Fred Clements, Culture Change Manager
- Melanie James, Reward and Recognition Manager
- HR Infrastructure Team
- Craig Scriven, Assistant Director Organisational Development
- Dawn Hewins, HR Director

With additional thanks for contributions and feedback from:

- Council Leadership Team
- Cabinet
- Suzanne Dodd, Assistant Director Legal Services
- Patricia Daley, Learning and Development Manager
- Corporate Black Workers Support Group organising committee
- Councillor John Cotton, Portfolio Holder Social Inclusion, Community Safety & Equalities
- Councillor Tristan Chatfield, Portfolio Holder Finance & Resources
- Colleagues across the Council
- Trade Unions