Non-Executive Template

REPORT TO:	**Appointments Committee** 27 April 2022
SUBJECT:	**Formal review of the Recruitment Policy**
LEAD OFFICER:	Dean Shoesmith, Chief People Officer
CABINET MEMBER:	Cllr Callton Young Cabinet Member for Resources & Financial Governance
WARDS:	All
PUBLIC/EXEMPT:	Public

SUMMARY OF REPORT:

The report is referenced to the Council's Equalities Strategy and the Council's commitments to delivery of equality, diversity and inclusion (EDI) improvements. The report covers a range of data with emergent analysis themes that requires a formal review of the recruitment policy with aligned actions that will make for improved practice. This includes an analysis of recruitment EDI data, an introduction to the concept of Value Based recruitment, as well as the importance of having user-friendly e-recruitment systems

The report addresses issues of consistency of practice across the council, the importance of training recruiters, and the beneficial EDI impact of diverse selection panels.

The report also covers that we are operating in a candidate-led employment market, and the importance of developing an authentic and positive Croydon employer brand.

Finally, the report notes the importance of recruiting young people into the council and the economic development and social impact benefits apprenticeships and graduate appointments can have for the council and the borough, including working with our suppliers to develop social values around employment for local people.

COUNCIL PRIORITIES 2020-2024

Include here a brief statement on how the recommendations address one or more of the Council's priorities:

- *With the emphasis on reviewing our policy framework for recruitment this aims to satisfy equality, diversity and inclusion this will help support the council's focus on tackling ingrained inequality and poverty in the borough*

FINANCIAL IMPACT:

There are no specific financial implications arising from this report and costs of a formal recruitment policy review will be met from within existing budgets. Improving the council's recruitment policy framework and the ability of the council to develop a strong, attractive brand in the employment market should support the reduction of costs arising from agency workers where the council has failed to recruit

RECOMMENDATIONS:

To:

1.1 note the report, the recommendations for change and the work to be initiated to develop an improved, accessible recruitment policy framework to support a more representative, diverse, and inclusive workforce in practice; and

1.2 provide comments and feedback on the proposal for a review of the Council's Recruitment and Selection Policy.

1. DETAILS

1.1. Background analysis

The Council's Equality Strategy establishes the council's commitment to improving the profile of the workforce to make sure the diversity of the borough is represented, that all members of staff are equally and fairly represented, and that this is reflected in our workforce policies and the planning we do across the council. The EDI Board has introduced for the first time in many years data analysis of recruitment activity which is the starting point for this formal recruitment policy review.

Recent analysis of recruitment data reported to the workforce EDI Board reviewed the council's recruitment activity for the three-month period November 2021 to January 2022. It was presented as headcount data and additionally a percentage analysis to aid impact assessment.

1.2 From this first analysis several areas of possible disproportionality emerged. As this was a three-month analysis, we need to be careful in drawing definitive conclusions with ongoing monitoring and impact assessment needed however, the continued gathering of the data will provide a clear evidence-base for the formal review of the recruitment policy.

1.3 **Ethnicity** – when reviewing this protected characteristic group, it emerges that there is no particular disproportionality with the rejection part of the process (55% Black candidates rejected, 56% White candidates rejected and 53% Asian candidates rejected). When reviewing 'hired' there was a 2% hire rate of Black candidates, compared with a 3.4% hire rate of White candidates, and a 0.9% Asian candidates' hire rate. Whilst this limited three-month data

set should be treated with caution it suggests that the anonymised application process appears to be working successfully with no disproportionality regarding rejecting candidates however, more work is required to ensure there is not disproportionality when hiring decisions are made.

1.4 **Disabled candidates** – when reviewing this protected characteristic candidate group there is no disproportionality with the rejection part of the recruitment process. However, based on this three-month time-limited data set, there is possible concern that more non-disabled candidates (2.5%) are being hired than disabled (2%) albeit the percentage difference is not large. Another factor to monitor is that 2,174 applications were made from non-disabled candidates, compared with 199 (7%) from disabled candidates, when the workforce profile of disabled staff is 9.5%, and the community demographic profile of disabled people is 15%. This suggests that disabled candidates may be deterred from applying to the council for work, which is a key factor for the formal review of the recruitment policy.

1.5 **Age** – the analysis showed a correlation between age and rejection rates, with a progressively lessening rate of rejection with older candidates. Those aged 20-25 years had a 64% rejection rate, compared with those aged 61+ where the rejection rate was 35%. This will require further monitoring however, it suggests that older candidates are better able to submit applications that stand less chance of rejection. Similarly, there is a generally higher hire rate for the older age bands compared with the younger age bands. This is another element to review as part of the formal recruitment policy review, as the council has an ageing workforce profile and needs to attract and develop a younger cohort of employees for future talent pipelines, improved workforce age equality profile, and future succession/talent planning.

1.6 Work is in train to complete quarterly recruitment EDI data and analysis noting three months is reflective of the average recruitment lifecycle.

1.7 Further work and analysis is required to provide a breakdown by directorate, division, and grade so that issues of disproportionality can be pinpointed and corrective actions taken.

1.8 A qualitative analysis is required to establish the reasons for rejection and to gain greater insights so that appropriate actions can be taken and will inform the formal recruitment policy review.

1.9 Further work has commenced to monitor and analyse the representation of interview panel members to ensure policy adherence. This includes regular sampling and spot checks of interview panel membership to ensure current policy adherence. Where shortfalls in current policy adherence are emergent, HR together with senior line management, will put corrective actions in place. This work will be tracked and incorporated into the dataset going forward.

1.10 **Values based recruitment (VBR)**

1.11 At present the council bases recruitment practice on an assessment of candidates' knowledge, experience and education. Whilst the person specification includes core behaviours these are seldom assessed.

1.12 Values based recruitment (VBR) provides a methodology and an approach to recruitment which will help the council attract and assess people whose personal values match with our organisation. This is especially important for social care delivery and customer services for the council to improve resident and customer satisfaction.

1.13 The introduction of VBR will need to be an integral part of the formal policy review.

1.14 **Internal recruitment to promote career opportunities**

The council has adopted a policy approach of advertising roles on an internal basis first to ensure that current staff have the fullest opportunity to apply and to be able to enhance their career opportunities. This follows feedback from the Race Equality Network and other staff forums, as well as staff surveys, about a lack of opportunity for staff to progress in the council. It is also important that staff who are unsuccessful receive clear feedback from the chair of the recruitment panel on areas for development so that they can address any skills, knowledge, and capability needs.

1.15 **E-recruitment systems.**

1.16 Electronic recruitment systems, otherwise commonly known as applicant tracking systems (ATS) by recruiters (systems that can track the progress of applicants through the recruitment lifecycle and candidates can track their progression through the system). The council's current ATS, Taleo, is under review as it could be an unintended obstacle to recruitment due to the system's complexity and the implications this has for the application process (see disability data, section 1.4 above). Work is being undertaken to review Taleo's functionality and accessibility, and dependent upon this review the council may procure a replacement ATS. The review will consider the accessibility of the ATS, as well as its efficiency and functionality

1.17 **Consistency of recruitment practice**

1.18 Whilst the council has a reasonably well-developed recruitment policy there can be variations in understanding and application of the policy. The data shown in sections 1.3 – 1.9 above indicate more work is required to eliminate unconscious bias, and appointment disproportionality across a range of protected characteristic candidate groups. HR has recently put in place sampling of interview panels to ensure they are balanced and have protected characteristic representation in a consistent way. The council has trained Black Asian and Minority Ethnic interviewers to address issues of representation and bias at interviews, and these actions have helped. This data will be gathered, analysed and reported to the EDI Board to pinpoint any areas of inconsistency of practice and target appropriate interventions. The

council will develop data sets to track the application of the recruitment policy in terms of consistently having representative panels at all levels, and not just at just chief officer-level.

1.19   Training for hiring managers

1.20   Training for hiring manages is key to ensuring those managers put into effective practice the council's recruitment and equality policy requirements. Training for values based recruitment will be important for the enhancement and consistency of practice in applying the council's recruitment approach, together with ongoing training on recruitment for good equality, diversity and inclusion practice. By including values based recruitment alonside other recruitment methodology the council will be widening the assessment criteria aiming to ensure improved diversification of candidates appointed. Appointments and de-selection of candidates by protected characteristics will continue to be carefully monitored to establish cause and effect actions and any further interventions that may be required where issues of disproportionality emerge.

1.21   We will need to ensure that all hiring managers have completed the requisite training before they are involved in future recruitment decision-making, so that best practice and consistency of approach are firmly in place, and this is regularly refreshed, or refresher training is provided to hiring managers who have been previously trained.

1.22   A candidate-led market and the council's brand

1.23   Since the country's emergence from the pandemic and lockdowns there has been a shift in the labour market with many employees seeking to change employer (dubbed 'the Great Resignation' 2022), with vacancies increasing, and employers find it increasingly challenging to compete in the labour market.

1.24   The council finds itself in the same position, given the hyper-competitive nature of the London jobs market, as well as challenges arising from its section 114 notice. However, the recent senior recruitment campaign demonstrated that with the right approach the council has been able to attract high calibre candidates to skills scarcity roles. The lessons learned from this campaign will be important to apply to future recruitment.

1.25   Building and developing the council's image and brand as employer will be key to future talent attraction. This work will be dovetailed to the culture change programme and will include careful consultation across the council to ensure the council's brand is authentic, reflective of the lived experience of staff, and includes the excellent work completed by many employees to serve the borough of Croydon and our residents. Authentic accounts of work completed for residents, as well as personal development, and the lived experience of working for the council will all be important factors in the development of the council's employer brand, to attract and retain future talent

1.26   Addressing age disparity

1.27   The council has an ageing workforce profile with an average age of 45. The council employs just 1% of the workforce in the age range 18-24 and 13% in the age range 25-34 (derived from employment profile data as at 31 March 2022). The age group of 16-24 is especially under-represented when it comes to appointments and as outlined in section 1.9 above there is a correlation between the older candidates are and them being more successful for employment.

1.28   The council is a major employer in the borough and it is important for the council to lead by example and engage young people in work and training, as there is a correlation with young people not being in employment, education and training (NEET) and higher incidents of serious youth violence. This should form part of developing a new People Strategy. To ensure apprenticeships and graduates placements are embedded, roles that are suitable for apprenticeships and graduates should be identified in the council's workforce establishment and agreed with each directorate to form an apprenticeships and graduate strategy and action plan. The council should also target and prioritise local residents for these roles and work with the supply chain to ensuring social value is maximised from contracts by making the employment of local resident apprentices a contractual stipulation .

2   CONSULTATION

2.1   Initial consultation has been via the council's EDI Board including senior managers, staff network chairs, and cultural ambassadors. Once further developed, the revised policy will need to be the subject of formal trade union consultation.

2.2   This report also serves as a means of consulting the appointments committee to ensure members' views are factored into the review of the recruitment policy.

NEXT STEPS

2.3   Following consultation in drafting a new recruitment policy covered under 2.1 and 2.2 above, the policy would be approved via CMT and the Council Staff Consultation (CSC) meeting with the trade unions

3   FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

3.1   Revenue and Capital consequences of report recommendations

3.1   All costs have been met within existing budgets and the permanent appointment of these senior roles ha helped to reduce agency day rate costs.

Approved by: Nish Popat, for Director of Finance

4   LEGAL CONSIDERATIONS

The Head of Litigation and Corporate Law comments on behalf of the interim Director of Legal Services that Section 7 of the Local Government and Housing Act 1989 requires all staff engaged by a local authority to be appointed 'on merit'. The Council must also comply with its statutory obligations in relation to recruitment under the Immigration Act 2016 (including the Code of Practice on the English language requirement for public sector workers - s7), the Rehabilitation of Offenders Act 1974, The Safeguarding Vulnerable Groups Act 2006, the Immigration, Asylum and Nationality Act 2006, the Equality Act 2010, the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (SI 2017/353), the Data Protection Act 2018 and the General Data Protection Regulation (2016/679 EU). The Recruitment and Selection Policy provides a framework for the Council to comply with those obligations and further the Council's commitment to delivery of equality, diversity and inclusion whilst ensuring that the Council can attract high quality employees into its job vacancies.

Approved by: Sandra Herbert Head of Litigation and Corporate Law on behalf of the interim Director of Legal Services & Deputy Monitoring Officer.

5   HUMAN RESOURCES IMPACT

5.1   The HR impact is covered in the main body of the report

5.2   Approved by: Dean Shoesmith, Chief People Officer

6   EQUALITIES IMPACT

6.1   The equalities impact is addressed in the main body of the report.

6.2   Approved by: Dean Shoesmith, Chief People Officer

7   DATA PROTECTION IMPLICATIONS

7.1   WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

7.4.1.   The recommendations contained within this report will not directly involve the processing of data

Approved by: Dean Shoesmith, Chief People Officer

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APPENDICES TO THIS REPORT
None

BACKGROUND DOCUMENTS:
None

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