

Resources and Equality Scrutiny Panel

Minutes - 16 March 2023

Attendance

Members of the Resources and Equality Scrutiny Panel

Cllr Milkinderpal Jaspal
Cllr Udey Singh (Vice-Chair)
Cllr Jonathan Crofts
Cllr Jaspreet Jaspal
Cllr Zee Russell (Chair)
Cllr Tersaim Singh
Cllr Ellis Turrell

Employees

Earl Piggott-Smith
David Pattison
Sukhvinder Mattu
Paula Moore

Scrutiny Officer
Chief Operating Officer
HR Service Lead for Policy and Strategy
Head of Organisational Development and
Apprenticeships
Deputy Director of People and Change

Laura Phillips

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Welcome and Introductions**
The Cllr Zee Russell, Chair, welcomed everyone to the meeting and advised it was being live streamed to the press and public. A recording of the meeting would be available for viewing on the Council's website.

- 2 **Meeting procedures to be followed**
The Chair explained the protocol to be followed during the meeting for asking questions and reminded everyone that microphones should be muted and cameras off, unless have been invited to speak by the Chair

- 3 **Apologies**
Apologies were received from the following Cllrs:

Cllr Carol Hyatt
Cllr Louise Miles
Cllr Greg Brackenridge
Cllr John Reynolds

- 4 **Declarations of interest**
There were no declarations recorded.

5 **Minutes of the meeting held on 19 December 2022**

The panel approved the minutes of the meeting held on 19 December 2022 as being a correct record.

6 **Minutes of the meeting held on 2 February 2023**

The panel approved the minutes of the meeting held on 2 February 2023 as being a correct record.

7 **Equality Diversity and Inclusion (EDI) Strategy Update: Objective 3**

The Chair invited Paula Moore, Head of Organisational Development, to present the report

The Head of Organisational Development advised the panel that aim of the presentation is to give an update on progress in delivering EDI Objective 3 – *Develop an inclusive workplace culture, where targeted professional training, development and support is provided* and to get comments from members.

The Head of Organisation Development gave a detailed summary of different initiatives aimed at supporting this agenda during the period April 2020 to January 2023. The Head of Organisation Development commented on the performance against key indicators, analysis of results by ethnicity, the numbers of people who participated and subsequently promoted.

The Head of Organisation Development advised the panel that the next step will be to undertake an EDI survey to gain feedback on all the action to date to better understand the impact of the different initiatives and to decide what further changes are needed.

The Head of Organisation Development advised the panel of communication and marketing plans to make all employees aware of the support available and to support managers to see the benefits of developing their employees. The aim will also be to encourage employees to undertake personal development and training and to further promote the Aspire into Management and the other programmes referred to in the presentation. The Brilliant Leaders programme will start again in September 2023 with a cohort of 15 employees from different ethnic backgrounds.

The Head of Organisation Development advised the panel that the service will continue to monitor the outcomes of the development of the interventions to ensure that people are getting promotions and to research other initiatives or learning from new opportunities elsewhere that could support progress towards achieving the stated objective.

The panel were invited to comment on the report and the presentation.

The panel thanked the presenter for the report.

The panel queried the reason for the majority of people taking up offers from the programme being women and if any specific action or strategies are being considered to increase male uptake rates.

The Head of Organisation Development commented that the approach taken is to promote these development opportunities wherever possible. A workforce planning

exercise is completed annually across all service areas to look training needs and the meetings with managers are used to help them understand the benefits of the programme. In addition, there are articles in City People which are used to promote good news stories, which will hopefully encourage more male employees to see the benefits of joining the programme.

The Head of Organisation Development commented that it is often more difficult to encourage men to participate in some types of personal development work but was confident that the more the issue is discussed the more likely it is that male employees will be encouraged.

The panel queried the relevant experience of mentors from West Midlands Coaching Pool to support employees who may have a different work experience from their own and the also the cost to the Council of using the service.

The Head of Organisation Development commented that the West Midlands Coaching Pool is part of West Midlands Employers Forum of which Wolverhampton is one of 32 different Councils across the region and has been running for about 15 years. The Head of Organisation Development advised that coaches and mentors are all training to ILM Level 5 and 7 and the explained that when someone is looking for a mentor or coach, they can review the online biographies and see which person best matches their needs.

The cost of being a member of the pool is £3000 a year which is considered good value when compared to the cost of an executive coach or an online coaching service. The more people that use the service the better the value for money it represents to the Council.

The panel suggested that a current member could be asked to share a success story or become a champion encouraging other men to get involved.

The Head of Organisation Development welcomed the suggestion and agreed to take forward the idea.

The panel queried the use of 'other' as an ethnic group in the presentation and the reason for its continued use, given previous concerns shared about its appropriateness as a category.

The Head of Organisation Development commented that the use of 'other' is for people who are not from an English background or non-white. The panel commented that the analysis by ethnic origin should not be used, and care taken in how the data is presented as the aim of the initiative should be to support all employees.

The panel queried the reason for the focus on ethnic and gender in the presentation and not including other groups with protected characteristics.

The Head of Organisation Development commented that further details about people with different protected characteristics are in full presentation, sent separately to panel members.

The panel thanked the presenter for the report.

Resolved:

The panel comments on the report to be noted.

8 **Race Equality Code & Ethnicity Pay Gap Actions Update**

The Chair invited David Pattison, Chief Operating Officer, and Suki Mattu, Service Lead – HR Policy, to present their reports.

The Chief Operating Officer advised the panel that the purpose of presenting the report was to provide an update on work done in relation to the actions taken to deliver the Race Equality Code requirements.

The presentation would also include an update from the Service Lead on actions taken following the report to the panel of the Ethnicity Pay Gap in June 2022.

The Chief Operating Officer commented that the purpose of the report is also to evidence delivery and outcomes following the commitment in the equality and diversity inclusion strategy that was adopted in 2002. The Chief Operating Officer commented the importance of the issue to the Council and that it makes good business sense to meet the needs of diverse communities across Wolverhampton.

The Council have worked with Dr Karl George MBE to get an external peer assessment of progress against the RACE Code criteria. The Chief Operating Officer advised the panel that other local authority members of West Midlands Combined Authority have also completed the equality review.

The Chief Operating Officer outlined the stages of the assessment process and gave a summary of the findings and the strengths identified.

The Chief Operating Officer advised the panel that Wolverhampton have been awarded the Race Code Quality Charter Mark in March 2023.

The Race Action Plan when completed will be incorporated into the Council's EDI strategy and presented to the panel in June 2023 for comment on progress.

The Chief Operating Officer commented on the statement from Dr Karl George and highlighted a key challenge, while recognising the significant improvement in diversity in terms of promotions, was the lack of diversity at senior management level of the Council. The Chief Operating Officer commented the range of initiatives, for example The Brilliant Leaders programme, which is helping to provide a strong talent pipeline for developing employees within the Council to support them progress to more senior positions.

The panel were invited to comment on the presentation.

The panel thanked the presenter for the presentation.

The panel queried the reasons for recruiting Dr Karl George to undertake the review and the fee paid for the work.

The Chief Operating Officer commented that Dr Karl George was provide an independent assessment about the planned actions were taking the Council in the right direction against the self-assessment criteria and identify if there was anything further that could be done, based on learning elsewhere, to improve the situation. The Chief Operating Officer acknowledged that the Council was in a good place in terms of equalities but highlighted the value of getting an independent assessment and to build on the progress made.

The Chief Operating Officer advised the panel that a fee of £8000 was paid to Dr Karl George.

The panel discussed the reasons for the presenting information about pay gap in terms of gender and ethnicity. The Chief Operating Officer advised the panel that there is a legal requirement on the Council to publish an annual report detailing the mean and median pay difference for female employees compared male employees. The Council decided to also produce are report on ethnic pay gap difference and work being done to reduce it. The annual gender pay gap difference has reduced to about four per cent and the ethnicity pay gap also narrowed in recent years.

The panel expressed concern about the payment of the fee and the added value of findings and the rational for undertaking the review, when considering the progress made to improve equalities previously reported.

The Chief Operating Officer advised the panel that the fee represents good value for money and the Council has benefited from working with someone with a strong reputation of supporting other local authorities in this area. The Chief Operating Officer added that the assessment report is very detailed and offered to share the information with the panel.

The assessment process provided a challenge to the Council to show that the work it is doing to improve equalities is having a positive impact and that progress is being made to meet the previous policy commitments. The findings are supported by a process of independent external validation and verification of the evidence presented.

The panel commented the importance of having an external review of the Council's progress towards becoming more inclusive and representative of the communities that it serves. The report findings were welcomed and provide evidence that the Council is making good progress in many areas, while accepting there is more work to be done.

The Chair invited Suki Mattu, Service Lead – HR Policy, to present the ethnicity pay gap section of the presentation.

The Service Lead – HR Policy advised the panel that it when a similar report was presented in 2021 the panel were asked to comment on the findings. The panel feedback was well received at the time and changes were made to the improve the content of the ethnicity pay gap report published in 2022.

The Service Lead – HR Policy commented that the purpose of presenting the latest report is to get further panel feedback on the findings and actions proposed to address areas of concern highlighted in the presentation.

The Service Lead – HR Policy advised the panel that ethnicity pay gap reporting is not a statutory requirement and is part of the Council's commitment to improve inclusion and tackle inequality in the workplace.

The report going forward will include background information on why the difference in pay is measured between White or White British and minority groups.

The Service Lead – HR Policy advised the panel that use of terms to describe different groups in the report is based on the terminology recommended in the

Council's inclusive language guide. The guide itself is based on the Governments preferred style of writing about ethnic minority groups. The Service Lead – HR commented on further changes to the report made in response to Government guidance, for example, ethnic minorities include white minorities such as Gypsy, Roma, and Irish Traveller groups.

In response to previous comments from the panel the report includes information about other factors which can affect the ethnicity pay gap over which the Council has very limited control.

The report has also been changed to include real time data on the performance of the Council, for example, changes at Grade 10 and above when compared to the City's population profile. The Service Lead – HR Policy advised the panel that the previous report highlighted there was less ethnic diversity among senior management positions and the data will be used with pay gap information to decide where action is most needed to improve the situation.

The Service Lead – HR Policy outlined the current and future actions planned to support equality of opportunity in the Council.

The Service Lead – HR Policy outlined the timeline for publishing the final ethnicity pay gap report and different groups that will be consulted with over the next few months. The Service Lead – HR Policy offered to present the final report to a future meeting of the panel. The panel were invited to comment on the report.

The panel thanked the presenter for the report.

The panel commented on how an action plan aimed at reducing the ethnicity pay gap, while welcome, can deal with the structural and historical nature of the issues it is trying to overcome, for example, the lack of representation at senior management level in Wolverhampton is similar to that of other local authority areas.

David Pattison, Chief Operating Officer, acknowledged the challenges facing local government sector in improving ethnic representation at senior management level and commented on work done to remove artificial barriers to progression which require experience or qualifications which in some situations is not essential to the role.

The Chief Operating Officer highlighted the success of doubling the number of non-white employees at Grade 9 or above since 2018/2018 in the Council as evidence of progress in responding to the concerns from the panel.

The panel queried the expectation of progress in reducing the ethnicity pay gap in 12 months' time.

The Service Lead – HR Policy commented that there is an expectation that the pay gap will have reduced in 12 months, while accepting that this may fluctuate and was unlikely to be zero as there are a range of factors that will influence the figure. The overall aim of the plan is to reduce the pay gap to a lower figure as possible.

The panel thanked the presenter for the report.

Resolved:

1. The panel comments on the ethnicity pay gap report to be noted.

2. The panel agreed to receive a further report on progress to a future meeting.

9 **Yoo Recruit Review (report to follow)**

The Chair invited David Pattison, Chief Operating Officer, to present the report.

The Chief Operating Officer apologised for the late circulation of the report.

The Chief Operating Officer reassured the panel that a further report will be presented for pre-decision scrutiny if any formal changes are proposed about the future of YOO Recruit.

The Chief Operating Officer advised the panel about the main findings from the Annual Governance Statement (AGS). A key conclusion was that the Monitoring Officer has confidence that there are good arrangements in place to oversee the performance of Council owned or involved bodies. This finding was supported by external auditors as detailed in the Annual Audit Review (January 2023) report. A copy the financial accounts for YOO Recruit is available online.

The Chief Operating Officer advised that it was agreed previously that following a 'deep dive' review of YOO Recruit an update report on the finding and recommendations would be presented to the panel for comment before being presented to Cabinet.

A 'deep dive' review takes place every three years for all linked Council bodies to provide reassurance about the governance arrangements. The Chief Operating Officer commented on the importance of reviewing the governance arrangements of linked bodies or trading companies.

The Chief Operating Officer outlined the four objectives of the high-level review of YOO Recruit.

The Chief Operating Officer advised the panel that YOO Recruit is a wholly owned Council Company which provides most temporary staff and that is a cost-effective way of controlling the cost of recruiting employees.

The Chief Operating Officer outlined the reasons for recruiting temporary employees, for example, managing workload demands in a service area where an employee is away from work due long-term sickness or disability. The Chief Operating Officer highlighted the higher costs to the Council of using recruitment agencies to recruit a temporary worker when compared to using YOO Recruit.

The Chief Operating Officer commented on the governance structure and financial performance of YOO Recruit.

The Chief Operating Officer advised the panel that the current contract with Adecco UK Ltd, who act as management partner, will expire in August 2024 and this has provided the opportunity to consider different models of operation for the future of YOO Recruit. Adecco UK Ltd manages all temporary and contract recruitment for the Council, through YOO Recruit.

The panel were reassured that Council has the power to decide whether to continue operating YOO Recruit in the current way, to change to a different operating model or to change Directors.

There is a regular assessment to check company is still fit for purpose and update reports are presented Cabinet Members and Leader of the Opposition.

The Chief Operating Officer commented that there were limited risks from the current operating model and the governance arrangements in place were satisfactory.

The Chief Operating Officer commented on the findings from the 'deep dive' review and future options proposed for YOO Recruit.

The Chief Operating Officer commented on changes to the national context in terms of the challenges facing both the private and public sectors in terms of recruitment, highlighting specific challenges in recruiting to roles procurement and planning services.

The Chief Operating Officer commented on the implications of the decision by West Midlands Board to approve the business case to offer the West Midlands Temporary Workforce Strategy and Regional Agency Provision for Local Authorities and the option in relation to temporary workforce strategy which some authorities are using to recruit employees. This may be an option the Council may wish to consider in the future.

The Chief Operating Officer reassured the panel that in terms of governance YOO Recruit is legally compliant. The Chief Operating Officer commented the future model could include a combination of the different options outlined in the presentation. A further report on the preferred options could provisionally be presented to the panel in June or July 2023 for pre-decision scrutiny.

The panel were invited to comment on the report.

The panel thanked the presenter for the report.

The panel discussed the reasons at the time YOO Recruit behind the decision to set it up, highlighting the high cost to the Council of recruiting agency staff. The panel welcomed the decision to review the operating model and the opportunity to consider possible alternatives.

The Chief Operating Officer advised the panel about the idea of removing the Director of Finance from the YOO Recruit Ltd Board and replacing her with the Chief Accountant as a change that is being considered following the review.

The panel expressed concern about the lateness of the report and the importance of publishing all the meeting papers on the agreed deadline to give members time to properly consider the information and to be able to scrutinise presenters.

The panel asked for details of the membership YOO Recruit Ltd Board and whether any Councillors were represented and the name of the Chair of the Board.

The panel also queried if other local authorities have a similar arrangement to manage all temporary and contract recruitments and if other alternative options have been considered and the scale of the recruitment challenge.

The panel queried the rationale for the Council's role in the recruitment process and suggested the option of Adecco UK Ltd having direct day to day responsibility, with no Council involvement. The panel suggested that alternative could be to appoint a Wolverhampton based recruitment agency which would also support the

recommendation in the report Select Committee: The Wolverhampton Pound - Procurement, Contract Management, and Commissioning.

The panel asked for details of the number of temporary and contract workers recruited by YOO recruit annually and the roles.

The Chief Operating Officer advised the panel that as regards the recruitment challenge the issue is where there is a need for a specific role requiring a certain level of experience and or expertise.

The Chief Operating Officer advised the panel that a report was presented to Governance and Ethics Committee in June 2022 which detailed the membership of the YOO Recruit Board.

The Chief Operating Officer advised the panel that the advice from external auditors and nationally is that Councillors should not be on the board of a Limited Company and accepted that if the current operating model continues consideration may be given to having non-Council representatives on the Board, particularly people from a business background.

The Chief Operating Officer advised the panel that the S151 Officer role on YOO Recruit Board is to give independent advice and this approach is supported by him and the external auditors when reviewing the governance arrangements.

The Chief Operating Officer commented in response to the suggestion of direct contracting the service to a recruitment agency or using a local agency is an option that is being considered as part of the options review.

The panel expressed concerns about the potential conflict of interest where Council employees are also members of YOO Recruit Board and level of accountability and challenge for decisions made and suggested a separate company would avoid this issue.

The Chief Operating Officer advised the panel that Darren Herries is Chair of the YOO Recruit Ltd Board in response to an earlier question.

The Chief Operating Officer reassured the panel about the role of the S151 Officer on the YOO Recruit board in response to concerns about possible accountability gap and that a request to attend a meeting would be supported.

The Chief Operating Officer commented on the importance accountability and transparency of decisions made by YOO Recruit board. The Chief Operating Officer highlighted the decision to have 'deep dive' exercises done every three years and to present an update report annually on performance and governance matters relating to Council linked external bodies to the relevant scrutiny panels as evidence of this commitment.

The Chief Operating Officer suggested inviting a member of YOO Recruit board to talk to the panel about their work and would support the provision of information to enable the panel members to scrutinise and challenge the decisions to reassure itself about the working arrangements.

The Chief Operating Officer agreed to share details with the panel of the numbers of temporary employees recruited by YOO Recruit.

The panel discussed changes in the way people now search for jobs online since YOO Recruit was set up and commented on internet search where the results showed Adecco not appearing in the first few pages and queried if this operating model was still an effective way of recruiting temporary employees.

The Chief Operating Officer acknowledged the significant changes in the way in which people search for jobs and the switch to remote working has added to the challenge and highlighted the change post pandemic where employees in some areas are not required to be in the workplace every day. As a result, local authorities are not only competing with other local authorities but with private sector companies in trying to recruit employees with the required skills and experience in areas of shortage, who now have much greater choice about where they work for higher salary levels.

The panel queried if YOO Recruit recruited for posts on behalf on any other organisation. The Chief Operating Officer confirmed that YOO Recruit was primarily set up to recruit temporary employees for City of Wolverhampton Council. There was an early discussion about the possibility of arranging a contract with another local authority to provide a similar service, but this option was not pursued further.

The panel discussed in detail the finances of YOO Recruit and specifically the level of annual trading profits. The panel queried the decision of YOO Recruit board to annually to retain shareholder profits as reserves for cash flow purposes rather than pay dividends. The panel further queried the added value to the Council provided by the current operating model and suggested a more profitable option could be to consider providing recruitment services to external organisations.

The Chief Operating Officer welcomed the comments and advised the panel that the purpose of the 'deep dive' review was to consider if the current operating model is the still right one. The Chief Operating Officer added that YOO Recruit was set up in 2016 and was right to offer a challenge about if the current model was still the best approach.

The Chief Operating Officer commented that the added value of having YOO Recruit to the Council is that it pays significantly less than other local authorities for agency fees but welcomed the need for check and challenge.

The panel discussed the background to the decision to set up YOO Recruit and there was support for the approach taken. The panel suggested a further report on progress should be presented to the panel in 12 months.

The Chief Operating Officer reassured the panel that clear guidance has been given to Council employees represented on external bodies such as YOO Recruit Board to make sure they can manage any potential conflicts of interest between their different roles and approach to be taken when they attend meetings to present reports to panels.

The panel discussed the contribution of YOO Recruit in supporting the aims of the Council and welcomed the opportunity to be consulted about the findings of the review and to comment on the options being considered.

The panel thanked the presenter for the report.

Resolved:

1. The panel comments on the presentation to be noted.
2. The Chief Operating Officer to provide details on the number of employees recruited by YOO Recruit.
3. The panel agreed to receive a further progress report on the performance of YOO Recruit in 12 months.
4. The Chief Operating Officer to present a full options appraisal report for pre-decision scrutiny to the panel.

10

Review of Council and Staff Subscriptions to other bodies - Governance Directorate (report to follow)

The Chair invited David Pattison, Chief Operating Officer, to present the report

The Chair Operating Officer advised that the purpose of the report was to respond to a quest from the panel for a list of annual subscriptions currently paid on behalf of the Council and its employees. The report focuses primarily on subscriptions within the governance directorate.

The Chief Operating Officer advised the panel that the list of subscriptions is considered as part of efficiency savings built into the annual budget consultation process.

In addition, Cabinet has also asked the service to check that the Council is getting value for money from the current list of subscriptions. The report includes recommendations to reduce the overall costs of subscriptions as part the annual review process.

The Chief Operating Officer presented a list in Appendix 1 of current subscriptions collated by service area within the Governance Directorate. The subscriptions were selected on the following criteria, a high value and those where possible changes to the continuation are being considered.

The Chief Operating Officer gave a summary of the subscriptions and recommendations to Cabinet to consider about their future continuation in the presentation.

The panel were asked to comment on the report.

The panel thanked the presenter for the report.

The panel suggested it would have been helpful to also include details of subscriptions in the other directorates.

The panel queried the details of approved subscriptions for 2023-2024 and asked for details of the annual budget and if it has been approved.

A panel member queried the sum paid to Stonewall Equality Limited in 2022-2023.

The Chief Operating Officer commented that a fee of £2575 was paid to Stonewall Equality Limited for 2022-2023 and that the decision to use the organisations was made by the Cabinet Member in order to support the Council in meeting its equality and diversity duties under the Equalities Act 2010 and the needs of members of the LGBTQ+ in the Council and local community.

The panel queried the payment to Kenyon International for disaster response services in the event of a mass fatalities event as this would be already provided by emergency services as part of their responsibilities. The Chief Operating Officer advised the panel that the Council has legal duties under the mortuary legislation and the specialist services provided by Kenyon International to support the Council to do this do not duplicate the work of the emergency services.

The panel thanked the presenter for the report.

Resolved:

The panel comments on the list of Council and Staff Subscriptions be noted.