

Homes for Londoners Board

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| Date of meeting: | 27 February 2019 |
| Title of paper: | Leadership 2025 |
| To be presented by: | Gina Amoh, Chief Executive Inquilab and Jamie Ratcliff, Assistant Director - Housing |
| Cleared by: (Executive Director and Deputy Mayor) | David Lunts Executive Director – Housing and Land, and James Murray, Deputy Mayor for Housing |
| Classification: | Public |

1 Executive Summary

- 1.1 Leadership 2025 is an initiative with a long-term ambition of supporting the creation of a housing sector that is diverse at all levels, with better representation of individuals who are from Black Asian and Minority Ethnic (BAME) backgrounds at leadership levels.
- 1.2 This paper updates Homes for Londoners Board on the progress of the Leadership 2025 initiative and invites comment, discussion and suggestions of how board members can help to further its aims (see section 7).

2 Recommendation(s)

- 2.1 That the Board:
 - Notes the update on the Leadership 2025 initiative; and
 - Discusses possible further actions that the board could take to support the initiative.

3 Diversity in the housing sector






- 3.1 Housing Associations have a proud tradition of supporting diversity and community cohesion. For example, Notting Hill Genesis can trace its roots back to an organisation formed to combat the disadvantage and exploitation of people in a BAME community in the 1960s were facing at the hands of criminal landlords in the private rented sector. Metropolitan Thames Valley was originally called the Metropolitan Coloured People's Housing Association and specifically housed BAME people in housing need.
- 3.2 In the late 1970s and 1980s the creation of a BAME housing sector was regarded by some as the most bold, ambitious and successful equalities and empowerment programme at the time. It was a demonstration of how important diversity was to the sector's core purpose.
- 3.3 There are now some 24 BAME housing associations in London, managing between 100 and 2,000 homes and offering a range of specifically culturally sensitive services.

- 3.4 According to the English Housing Survey 50 per cent of households in social housing in London are headed by a non-white person (compared to 17 per cent in England as a whole). Of London's economically active population 36 per cent are from BAME communities. The proportion of people from BAME communities in leadership roles in the housing sector does not reflect the make-up of the general population.
- 3.5 Looking at the largest 12 housing associations in London 8 have no BAME Executives and five have no BAME board members. Across these 12 organisations there are a total of 118 board members, of which 15 (13 per cent) are BAME. These organisations have 79 Executives, of which four (5 per cent) are BAME. There is one BAME Chief Executive and two BAME Chairs.
- 3.6 The evidence suggests that it may be the case that the talent is not getting through and that the social housing sector, like many other sectors, suffers from unconscious bias in its decision-making when making leadership appointments.
- 3.7 The rationale for ethnic diversity across leadership teams is compelling. Extensive research points to a number of benefits such as diversity of thought, better decision-making, wider business success and helping to build confidence with the communities in which businesses work. The latter driver is particularly pertinent to the housing sector at the current moment in time, where the tragic Grenfell Tower fire and the response thereafter has posed questions about the sector's connection, accountability and understanding of the communities it serves.

4 Leadership 2025 initiative

- 4.1 It is on this basis the Leadership 2025 initiative was launched in 2017. Representatives from Optivo, L&Q, Network Homes, Gateway and BME London established a steering group, supported by Altair, the housing and regeneration consultancy. The Steering Group identified two key strands for action:
- **Supply side** – The need to ensure that BAME senior managers were fully equipped to be sector leaders. To address this issue the Steering Group developed, with Roffey Park Business school, an intensive nine-month accredited leadership programme, involving strategic learning, peer group challenge, sector leadership mentors and technical masterclasses. The first six participants completed the course in November 2018, and the second programme has just been launched.
 - **Demand side** – The need for employers to champion support for diverse leadership and to take demonstrable action. The group commissioned Altair to research the issue and to provide practical and ambitious recommendations to help create this cultural shift. This commission became the Altair Review.
- 4.2 The Altair Review was launched together with the Leadership 2025 programme in November 2017 at City Hall, with the GLA's support. The launch included a video message of support from the Mayor, and Deputy Mayor James Murray as speaker on the day. The review looked at:
- identifying where the sector stands currently;
 - developing a business case for diverse leadership;
 - scoping what the sector can learn from its past and present leaders and from other sectors; and
 - highlighting what changes the sector should make now, a five-point plan.

- 4.3 To enable the step-change necessary to break down these existing barriers, the review set out a number of ambitious but practical recommendations. These have been distilled as a five-point plan (set out below) to support housing associations in achieving greater diversity in their leadership teams.

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|  | Report annually on key diversity statistics |
|  | Set aspirational targets |
|  | Interview more diverse pools of candidates |
|  | Develop the leadership pipeline |
|  | Lead by example |

- 4.4 The full report can be downloaded from the Leadership 2025 website¹. Organisations have been asked to sign up to implement the action plan. The Housing Associations that have signed up include the following 20 organisations set out in the table below.

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| A2Dominion |
| Clarion |
| Centrepoint |
| Curo |
| Gateway |
| Home Group |
| L&Q |
| Metropolitan Thames Valley |
| Network Homes |
| Notting Hill Genesis |
| One Housing |
| Optivo |
| Origin |
| Peabody |
| Poplar HARCA |
| Riverside |
| Settle |
| Shepherds Bush Housing Group |
| St Mungo's |

¹http://leadership2025.co.uk/wp-content/uploads/2017/11/The_Altair_Review_Online.pdf

5 Good practice examples

- 5.1 On 10 January 2019 James Murray, Deputy Mayor for Housing and Residential Development wrote to all GLA Investment Partner housing associations to remind them of the Altair Review five principles and to request examples of good practice which could be shared with the Homes for Londoners board. These examples are published on the GLA website².

6 GLA support for Leadership 2025

- 6.1 The GLA has been an enthusiastic supporter of Leadership 2025. The Mayor has recorded video messages of congratulations to the first two cohorts for making it through the challenging selection process. In addition to speaking at the programme's launch in 2017, James Murray represented City Hall at an event in November 2018 to award certificates of graduation to the first cohort, and announce the participants of the second. Jamie Ratcliff sat on the Steering Group for the Altair Review and sits on the Advisory Board for the Leadership 2025 initiative.
- 6.2 The GLA has promoted links for the initiative into Future of London, which provides a broader training offer, including for BAME individuals who are not yet ready for the Leadership 2025 programme. Future of London is also leading efforts to diversify the property industry with its #DiversityPledgeLDN³ and Speaker Diversity Network⁴.
- 6.3 The GLA has used its influence to promote the Leadership 2025 initiative partner housing associations. James Murray has now written three times to housing association partners to encourage them to sign up to the initiative and the GLA is using its website⁵ to showcase the organisations who have signed up and the steps they have taken.
- 6.4 The Mayor is leading the way in terms of transparency of the GLA group workforce and in January 2019 published its second ethnicity pay gap report⁶. The Mayor is committed, not only to recognise pay inequality and seek to address it at the GLA and its functional bodies, but to encourage businesses in the capital to follow this lead. Since the publication of the report the GLA has called on Government to make ethnicity pay gap reporting mandatory, in the way that it is for gender. The Government consulted on this very issue in an exercise⁷ which closed on 11 January 2019.
- 6.5 The updated data for the GLA (as at end of March 2018) indicates that the median pay gap decreased from 16% to 11.45% from 2017 with the mean pay gap decreasing from 21% to 17.36%. The reason for the pay gap is not that BAME people are paid less to do the same job – it is because of an under-representation of

² <https://www.london.gov.uk/what-we-do/housing-and-land/leadership-2025>

³ <https://www.futureoflondon.org.uk/2016/08/24/diversitypledgedn-goes-live/>

⁴ <https://www.futureoflondon.org.uk/networks/diversity/>

⁵ <https://www.london.gov.uk/what-we-do/housing-and-land/leadership-2025>

⁶ https://www.london.gov.uk/sites/default/files/gla_ethnicity_pay_gap_report_-_jan_2019.pdf

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/747546/ethnicity-pay-reporting-consultation.pdf

BAME employees in senior roles. Across the GLA overall BAME employees are also under-represented, making up 25% of the workforce

6.6 In January 2019 the GLA published an ethnicity pay gap action plan to address this inequality⁸. This plan sets out 17 further actions that the GLA has committed to.

6.7 The Housing & Land Directorate Management Team also has under-representation of BAME employees. Local action being taken to address this includes the use of a specialist recruitment agency (BAME Recruitment) for the vacancy of Assistant Director – Housing. Further steps are being taken to improve the diversity of the Housing & Land Directorate as a whole, in particular through a new approach to recruitment for the additional roles proposed through the 2019/20 budget setting process. This new approach will involve targeted recruitment, advertising, engagement and the use of Transport for London’s recruitment function and will commence in summer 2019.

7 What more can we do?

7.1 The board could help to further the aims of the Leadership 2025 initiative. Some possible ways in which board members could do this are set out below to promote discussion. The board are invited to comment on these and suggest alternatives.

7.2 Board members could encourage organisations that they work with to sign up to the five principles of the Altair Review. A step further could be for the GLA to require this as part of a funding condition for future affordable homes programmes.

7.3 Board members could encourage organisations that they work with to publish ethnic pay gap information, even if the Government does not make this mandatory. A step further could be for the GLA to require this as part of a funding condition for future affordable homes programmes.

7.4 The board could commit to reviewing performance of the sector in achieving greater diversity on annual basis. This could highlight progress of change in the diversity of leadership in the housing sector and highlight good practice. If the board chose to do this then an update could be provided to the November/December 2019 meeting, picking up reporting from housing association annual reports.

7.5 The GLA and/or other members of the board could work in partnership with trade press, to further highlight the progress in diversity of leadership in the housing sector. Both Inside Housing and 24 Housing are involved in Leadership 2025.

7.6 The board could lobby for inclusion of diversity monitoring of leadership of Registered Providers of Social Housing in any changes to social housing regulation that arise from the implementation of the Social Housing Green Paper published in summer 2018.

7.7 As part of a funding condition for future affordable homes programmes the GLA could require that larger organisations partner with specialist BAME organisation in development, service delivery or staff development. A similar requirement was exercised by the Housing Corporation in the 2000s.

7.8 As part of a funding condition for future affordable homes programmes the GLA could require that all organisations accessing its funding have at least one BAME

⁸ https://www.london.gov.uk/sites/default/files/gla_ethnicity_pay_gap_ap_-_final_.pdf

board member. Given maximum board terms ensure regular churn on board this should be achievable for all within a relatively short space of time.

- 7.9 The Homes for Londoners board could set its own aspirational targets for ethnic diversity of its own membership.

8 Equality Comments

- 8.1 This paper explicitly considers measures that are and could be taken to help make the leadership of the housing sector more diverse in terms of race. Race is one of the nine protected characteristics under the Equality Act 2010. None of the measures discussed are expected to have any negative impact on individuals with any of the other eight protected characteristics.

9 Financial Comments

- 9.1 Other than officer time there are no expected financial implications for the GLA from this paper.

10 Next Steps

- 10.1 The next steps will be determined following the board discussion.

Appendices:

None