

ANNUAL REPORT OF THE
COMMISSION FOR RACIAL EQUALITY
1 JANUARY 2003 TO 31 DECEMBER 2003

TO THE RIGHT HONOURABLE
DAVID BLUNKETT MP
SECRETARY OF STATE
FOR THE HOME DEPARTMENT

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FOREWORD

by Trevor Phillips, chair

I recently read an article that asked: 'Why does the least racist country in Europe need the CRE?' It may be true that Britain leads the way in Europe on race relations, but being the least racist country is not the same as being free from racism. Until we have eradicated racism from British society, there will continue to be a need for the CRE.

In 2003, the need for our work on good community relations and equality has been manifest. We restated our commitment to the goal of an integrated society – one in which all are equal, everyone shares the same core values, and we encourage mixed communities at work and at home. All the signs are that more and more people recognise the value of this agenda, and in this report you will read about the partnerships that we are developing to achieve our goal.

Opinion polls over the past ten years have shown that British society is shedding the prejudices prevalent in my childhood. But there are still people who, disillusioned with the main political parties, believe that the far right offers an answer to Britain's problems. There are still racist attacks, and mosques and synagogues being desecrated. There are still too few companies trying to increase racial diversity in the boardroom, and too many public authorities failing to promote race equality. Occasionally, we receive a stark reminder that some members of our society are still prepared to be openly racist. The event that had the biggest impact on our work in 2003 was the broadcast of the BBC documentary *The Secret Policeman*, which prompted us to launch a formal investigation of the police service in England and Wales.

The prejudice faced by Gypsies and Travellers came under the spotlight when the Firlle Bonfire Society burned an effigy of a Gypsy caravan. I considered this violent and provocative act to be tantamount to incitement to racial hatred, and called on Sussex Police to launch an investigation. Coincidentally, in the week following the bonfire, we launched the consultation on our

strategy for improving the situation of these communities, who are among the most disadvantaged racial groups in Britain.

Last year also saw the culmination of our formal investigation into HM Prison Service, one of our largest to date. In July we published the findings of Part 1, which concentrated on the murder of Zahid Mubarek at HM Young Offenders Institute Feltham, and in December Part 2, which found the service liable for unlawful racial discrimination in 14 areas. We agreed with the service that it would commit itself to implementing a detailed action plan to achieve racial equality.

Other highlights of the year included the launch of our new funding framework for racial equality organisations, which is designed to ensure that the funding we provide genuinely benefits local communities. We also launched our investigation into the lack of black managers in professional football, and our Safe Communities Initiative, which we hope will allow us to respond to community tensions and disturbances more effectively.

This work will continue over the coming years, by which time the CRE may no longer exist, as the government has announced its proposals for building on the work of the CRE, the Equal Opportunities Commission, and the Disability Rights Commission. The creation of a single Commission for Equality and Human Rights, which will also be responsible for issues of religion and belief, age, and sexual orientation, could be a great opportunity to continue our work under the umbrella of a single champion for equality. However, any new body will only meet the challenges of integration and racial equality if it has the right powers, resources and expertise. Discussions on the new commission are ongoing, but for the time being we're getting on with the important job in hand: pursuing our urgent and ambitious agenda for eliminating the evil of racism from society.



Trevor Phillips



1 PROMOTING RACIAL EQUALITY

In 2003, our work promoting racial equality centred on a number of key themes.

- We monitored public authorities to make sure they were making progress in meeting the duty to promote race equality, and were identifying the outcomes they wanted to achieve.
- We produced further guidance, and worked with a wide range of public sector organisations and inspectorates, to help authorities meet the duty.
- We responded to the government's proposals for the new Commission for Equality and Human Rights, which we broadly welcomed.
- We continued to contribute to the European equality agenda, particularly in relation to the race equality directive, which was incorporated into British legislation in July.
- We made substantial progress in promoting racial equality in the private sector.

The duty to promote race equality

Focusing on race equality outcomes

Following the introduction of the specific duties to help them meet the statutory general duty to promote race equality, we found that public authorities spent much of the year introducing procedures for ethnic monitoring, conducting impact assessments, and training staff in fulfilling the duties in order to put their race equality schemes and policies into effect.

In July we launched *Towards Racial Equality: An evaluation of the public duty to promote race equality and good race relations in England and Wales (2002)*, a report produced for us by consultants Schneider-Ross. We followed this in December with *Towards Racial Equality in Scotland: Are public authorities meeting the duty to promote race equality?* Both reports found that progress in putting the duty into effect varied greatly between authorities, and that many authorities – thirty per cent in England and Wales, and

over twenty per cent in Scotland – had not identified the outcomes they wanted to achieve.

Following the publication of *Towards Racial Equality*, we held a series of six conferences called 'The Duty to Promote Race Equality: One Year On'. We used these conferences to promote our research findings, to encourage public authorities to think about what they wanted to achieve, and to consider the practical implications of putting the duty into effect. The conferences were attended by over a thousand delegates from a wide range of public sector organisations, and from across the country, and were well received.

Towards the end of the year we began work on producing guidance for public authorities on identifying race equality outcomes, having consulted local authorities, criminal justice agencies, health and social care organisations, schools, and further and higher education authorities. The guidance should help raise standards and improve performance in each sector.

Measuring performance

Including the race equality duty within performance measurement systems used in the public sector is an effective way of ensuring that it is mainstreamed throughout the sector. We continued to work closely with inspection, audit and regulatory bodies throughout the year, to make sure that compliance with the duty forms part of their review and inspection procedures.

Since April 2003, when the Audit Commission amended its inspection framework, local authorities have been audited on compliance with the race equality duty (see p 9). Our aim is that other inspectorates – such as Ofsted, the Commission for Health Audit and Inspection,



▲ In July, Fiona Mactaggart MP, parliamentary under-secretary for racial equality, and Trevor Phillips, CRE chair, launched *Towards Racial Equality*, our report on the progress made by English and Welsh public authorities in putting the race equality duty into effect. *Towards Racial Equality in Scotland* followed in December.

▲ A health workshop, run by the St Bartholomew School of Nursing and Midwifery, aimed at stimulating interest in nursing and midwifery careers among young people from ethnic minorities.

and Her Majesty's Inspectorate of Constabulary – put the race equality measures in their inspection procedures into effect, to ensure that all public authorities comply with the duty.

The performance of government departments is measured primarily through public service agreements, which are central to the government's strategy for improving public services. Many of these targets – such as raising standards in education, reducing health inequalities, improving the condition of social housing, and improving the level of public confidence in the criminal justice system – are relevant to racial equality. Through our developing relationship with the Treasury, we have been working within this system to achieve improvements in racial equality. We also provided advice on collecting information on ethnic minorities.

We continued our work with the Home Office team responsible for designing the Policing Performance Assessment Framework (see p 11).

Guides to the duty

We continued to produce guidance to help public authorities put the duty into effect.

In July we published two guides to procurement and race equality: *Race Equality and Procurement in Local Government: A guide for authorities and contractors*, for local authorities, including police and fire authorities; and *Race Equality and Public Procurement: A guide for public authorities and contractors*, for public authorities in other sectors, including health and education. The guides give detailed advice on considering racial equality at all stages of the contracting process, as well as guidance for potential contractors. We produced the guides with help from an advisory group consisting of representatives from a wide range of public sector organisations, including central government departments, and private companies. The guides also went through an

extensive public consultation process prior to publication.

Towards the end of the year, we developed a guide on the race equality duty and partnership working, together with the Office of the Deputy Prime Minister. The guide outlines how public authorities working in a range of partnerships can meet the race equality duty, and how partnerships can work to achieve race equality. We will be consulting on the guide in 2004.

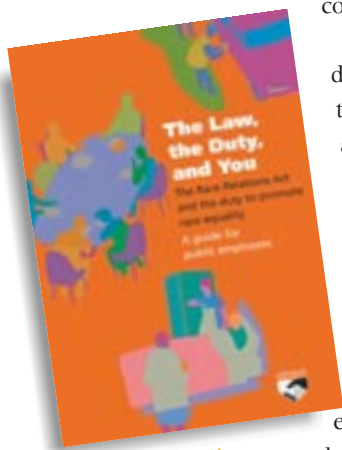
We also worked with the Home Office's Race Equality Unit to provide further information for public authorities on how to assess the impact on race equality of new policies and services. This information will be made available through the internet in 2004.

Local government

In March, Trevor Phillips, our chair, met the leaders of the four main political parties on the Local Government Association (LGA), to discuss the threat of community tension from the campaigning of the far right political parties, particularly the British National Party, in the run-up to the local government elections in May. As a result, we sent letters to all local party leaders in authorities where elections were due to take place, urging them to avoid any campaigning that could damage race relations, to campaign effectively against far right candidates, and to encourage rational debate on the subject of asylum seekers.

In July, we co-sponsored a major conference with the LGA, to consider the results of our survey of the way public authorities had responded to the duty (see p 7).

During the year, we worked with the LGA on its 'Challenge' scheme for local authorities, together with the Equal Opportunities Commission and the Disability Rights Commission. The scheme focuses on three main areas – governance, service delivery, and employment – and challenges local authorities to select a number of issues on which they expect to achieve measurable results over a year. The LGA began formal



▲ Public authorities will only be able to meet the race equality duty if their staff understand how it affects their work. We produced a leaflet called *The Law, the Duty, and You*, which outlines the duty and explains what it means for public employees. We also produced co-badged versions with organisations such as the Royal College of Nursing and Unison, who distributed it to their members.

consultation on the plans in December, and we expect the scheme to be launched in July 2004, following the local government elections.

In March 2003 we co-published a report on research conducted to develop standard racial equality criteria that contractors would have to meet to obtain work with any of the six councils constituting the West Midlands Forum (WMF). We launched the report at a joint conference with the WMF.

We supported the race equality work of several public sector inspectorates during the year, including the Benefit Fraud Inspectorate (BFI) and the Audit Commission.

■ The BFI conducted a survey of how ten randomly selected local authorities had responded to the duty, both generally and in respect of individual services. The report, produced in March 2003, found mixed responses, both to the general statutory duty and the specific duties.

■ The Audit Commission made a commitment to 'strengthen all [its] inspection and assessment work to ensure that there is a focus on the role of local authorities in promoting race equality', and we welcomed the several steps it took to put this into practice. For example, by:

- incorporating the race equality duty into its procedures for assessing the performance of district councils;
- completing a pilot project to assess the effectiveness of its inspections for equality and diversity in the north of England; and
- conducting research into 15 authorities in the local government, health and police sectors on the reasons for the slow progress they were making in meeting the duty and possible remedies.

In November, we suggested improvements to a revised draft of the commission's race equality scheme.

Education

During the year we worked closely with a number of agencies and organisations, and

responded to, or advised on, a number of initiatives.

Towards the end of the year we expressed concern that the introduction of variable top-up fees would have a disproportionate, adverse effect on university students from ethnic minorities. Trevor Phillips, our chair, warned that we were prepared to take legal action against the government, if necessary, to make sure that all universities are equally open to students from all racial groups.

We contributed to the development of 'Aiming High', the strategy produced by the Department for Education and Skills (DfES) for improving the educational attainment of pupils from ethnic minorities. This strategy involves Ofsted assessing progress on the race equality duty as part of its inspections of schools and local education authorities (LEAs). We commented on the draft LEA inspection framework and the supporting guidance. Ofsted took on board many of our recommendations, and the revised framework and guidance explicitly refers to the race equality duty and the LEA's responsibilities for meeting it.

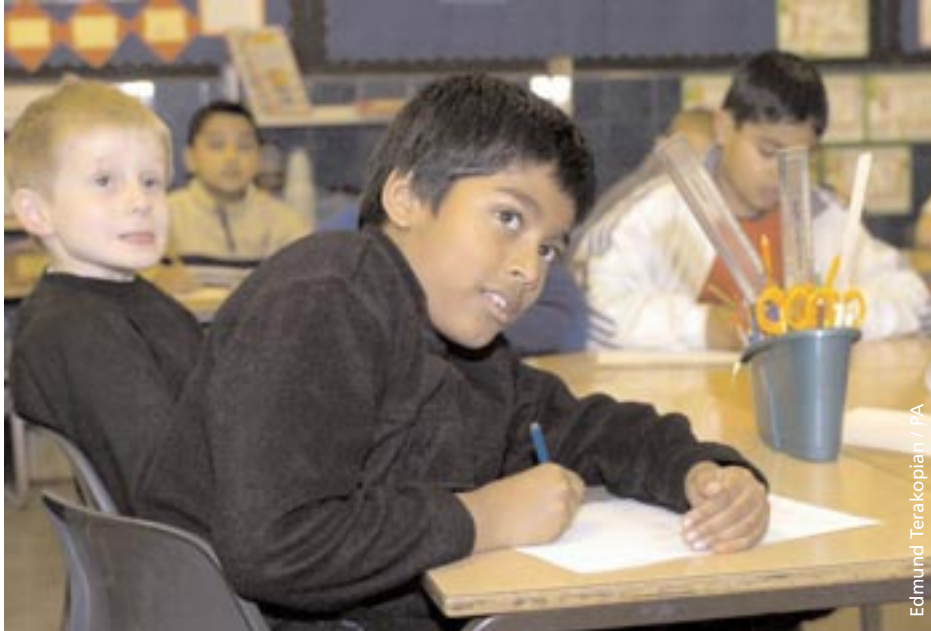
We responded to the consultation on the government's White Paper, *The Future of Higher Education*. We advised the DfES on the need to assess the impact of the policies proposed in the paper, and helped it to develop an assessment framework. We also responded to the consultation on admissions to higher education, and made recommendations on the role of the Office for Fair Access (OFFA). We will also be advising the DfES as the role of OFFA is developed.

We provided advice to a range of organisations during the year, including:

- the DfES on revising its race equality scheme (RES), so that it focuses more on the



▲ We held launches for our procurement guides in London, Edinburgh and Cardiff, with support from central government ministers, the Scottish Executive and Parliament, and the National Assembly for Wales, respectively. We helped to arrange conferences for local authorities in several regions to raise awareness of the guides, and followed these with training events.



Edmund Terakopian / PA

▲ We helped the Department for Education and Skills develop its strategy for improving the attainment of pupils from ethnic minorities.

outcomes it wants to achieve; ■ the Employers' Organisation on LEAs' duty to monitor school staff by racial group; and ■ the Learning and Skills Council (LSC) on putting its RES into effect, and on building the duty into its Provider Performance Review system.

We also advised the DfES steering groups on their responses to research on ethnic minority exclusions and the Race Relations Act, and on students from ethnic minorities and higher education.

We organised conferences for schools and LEAs (with TEN, The Education Network), and for further and higher education institutions, on the duty, and on the findings of the research carried out for us by Schneider-Ross on the progress made by public authorities in meeting the duty (see p 7).

Health and social care

Our work in this sector continued to benefit from a secondment, sponsored by the Department of Health.

We consulted on our three-year health and social care strategy and received some very useful responses, which we dealt with in the final strategy.

In April 2003 we published *Promoting Race Equality in the English NHS*, a report on the progress made by NHS strategic health authorities (SHAs) in promoting race equality. The report concluded that progress on meeting the duty was patchy and inconsistent across the six SHAs surveyed, and that the Department of Health (DoH) and the NHS should work closely with us to ensure that SHAs receive the support they need. Together with the DoH and the NHS, we developed a performance management framework for achieving racial equality in the NHS, and expect it to be available

to SHAs early in 2004.

We emphasised the importance of government departments and other strategic agencies taking the lead on racial equality in our responses to government consultations. These included 'Every Child Matters', the Green Paper on services for children in need; 'Civil Registration: Delivering vital change', which included proposals for changes in the registration of births and deaths; and 'Choice, Responsiveness and Equity', which included proposals to increase choice in the NHS.

We also agreed a memorandum of understanding with the Social Services Inspectorate (SSI), as a result of which social services departments will not be able to achieve a three-star rating in their annual performance assessment without demonstrating progress in meeting the race equality duty. We are working with the SSI and the Association of Directors of Social Services to promote greater emphasis on racial equality outcomes in performance management in social care.

Criminal justice

During the year our priority shifted from ensuring that criminal justice agencies adopted race equality schemes (RESs), to

ensuring that those schemes were put into effect.

For example, HM Magistrates' Courts Service Inspectorate published its review of magistrates' courts' RESs in April, and through our membership of the Court Service's Diversity Strategy Group, we helped devise an action plan to address the shortcomings identified. We were also able to influence plans for race equality training and employment targets for people from ethnic minorities through the group.

We met regularly with the Crown Prosecution Service (CPS) during the year, which, as part of the implementation of its RES, published a policy for the prosecution of racist and religiously aggravated crime, following extensive community consultation. As our meetings with the CPS formed part of our ongoing monitoring programme, following our formal investigation of a branch of the service, we particularly concentrated on employment matters, and obtained detailed half-yearly ethnic monitoring data from the service. These data showed that encouraging progress had been made in the number of employees from ethnic minorities at all grades, particularly at more senior levels, although complaints of discrimination from staff continued to occur.

We submitted detailed comments in response to the Criminal Justice Bill, which led to the Home Office carrying out a series of assessments of the bill's impact on racial equality. We also responded to a number of government consultations, including proposals on restorative justice, parenting orders and contracts, and the provision of services to victims and witnesses.

We pursued the issue of racial discrimination in police stops and searches by researching complaints made under the Race Relations Act, by posting advice on people's rights in this area on our website, and by producing detailed written guidance on how we can best assist complainants. We argued that definitive research needed to be carried out to determine to what extent racial

discrimination is a problem in this context, so that it can be dealt with. The government's Criminal Justice System Race Unit and the Home Office Police Leadership and Powers Unit and Research, Development and Statistics are taking work forward on this issue.

We continued to contribute to the Association of Chief Police Officers' Race Portfolio Group; the home secretary's Stephen Lawrence Steering Committee's sub-groups on stop and search, and racist incidents; and the Race Issues Advisory Committee of the National Association for the Care and Resettlement of Offenders (NACRO).

We continued to work with the criminal justice inspectorates, and agreed a memorandum of understanding with them in December to help improve the exchange of information on the race equality duty. We worked particularly closely with HM

Racial discrimination in police stops and searches remained an issue. We investigated complaints made under the Race Relations Act, and produced guidance on people's rights, and on how we can best assist complainants.



David Hoffman

Inspectorate of Prisons, helping it to revise its inspection procedures, and making sure that meeting the duty was comprehensively covered.

We also continued our dialogue with the Home Office team responsible for designing a new Policing Performance Assessment Framework (PPAF), to make sure that performance measures of race equality outcomes in general, and delivery of the race



▲ A police recruit posing as a member of the Ku Klux Klan in the BBC documentary, *The Secret Policeman*.

equality duty in particular, were included. We improved some of the indicators with a racial equality element, and successfully pressed for some new indicators to be included. The PPAF will come into effect from 2004.

As the year closed, we began planning our

formal investigation of racism in the police service, following the transmission of the BBC documentary *The Secret Policeman* in October (see p 26).

For information on our formal investigation of HM Prison Service, see p 26.

Commission for Equality and Human Rights

In October 2003, Patricia Hewitt, secretary of state for trade and industry, announced the government's decision to create a new, single

equality organisation – the Commission for Equality and Human Rights (CEHR). The CEHR will replace the existing equality commissions – the CRE, the Equal Opportunities Commission (EOC) and the Disability Rights Commission (DRC) – and cover race, sex and disability, as well as religion or belief, sexual orientation, and age. (In accordance with the EU employment directive, the first two of these new strands were integrated into British legislation towards the end of 2003; age is due to follow by 2006.) The new commission will also have responsibility for promoting human rights, as recommended by the report of the Joint Committee on Human Rights.

We broadly welcomed the announcement, which came at the end of a long period of consultation. Early in the year we held a range of consultation events on the proposal to set up a single commission, following the publication of our leaflet *Which Way Equality?* at the end of 2002. We stressed that it was essential the new organisation was well resourced and could deliver levels

▶ Religion is one of the strands that will be covered by the proposed Commission for Equality and Human Rights.



of service at least equal to those available at present. We produced in-depth responses to the government's consultation documents, and supported the proposal for the new commission to have a human rights remit. We pointed out that we would like to see greater harmonisation of equality legislation in Great Britain, given the inconsistencies in the power and scope of the current legislation.

The Department for Trade and Industry (DTI) aimed to publish a White Paper in the spring of 2004, and expects the CEHR to be established by late 2006. The transition from the existing commissions to the CEHR will be a major undertaking. Trevor Phillips, our chair, together with his counterparts at the EOC and DRC, NGOs and others involved with the new strands, met ministers on a number of occasions towards the end of 2003 to discuss governance, devolution, scope, powers and resources.

A CEHR task force, involving a wide range of stakeholders, including the existing equality commissions, the public sector, business, the trade unions, and academia, was set up by the DTI in December 2003 to advise government on the White Paper.

Meanwhile, we, together with the EOC and DRC, met staff from the DTI to discuss plans for the practical transition to the new commission, including arrangements for staff. We are keeping our staff informed of developments, and held seminars in 2003 to raise awareness of the other equality strands.

Europe

The EU race equality directive was incorporated into British law through the Race Relations Act 1976 (Amendment) Regulations 2003 (see p 24), which came into effect in July 2003. The directive prohibits racial discrimination in employment, education, training, social security benefits, health care, and the provision of goods and services (including housing). All EU member states must now

have an organisation to promote racial equality and assist victims of racial discrimination. Many countries had to create a new organisation to achieve this, and during 2003 we saw great interest in our own role and approach, and an increase in the number of requests to visit us. As a result we received many visitors during the year, and also provided speakers for events elsewhere in Europe, including Athens, Madrid and Paris.

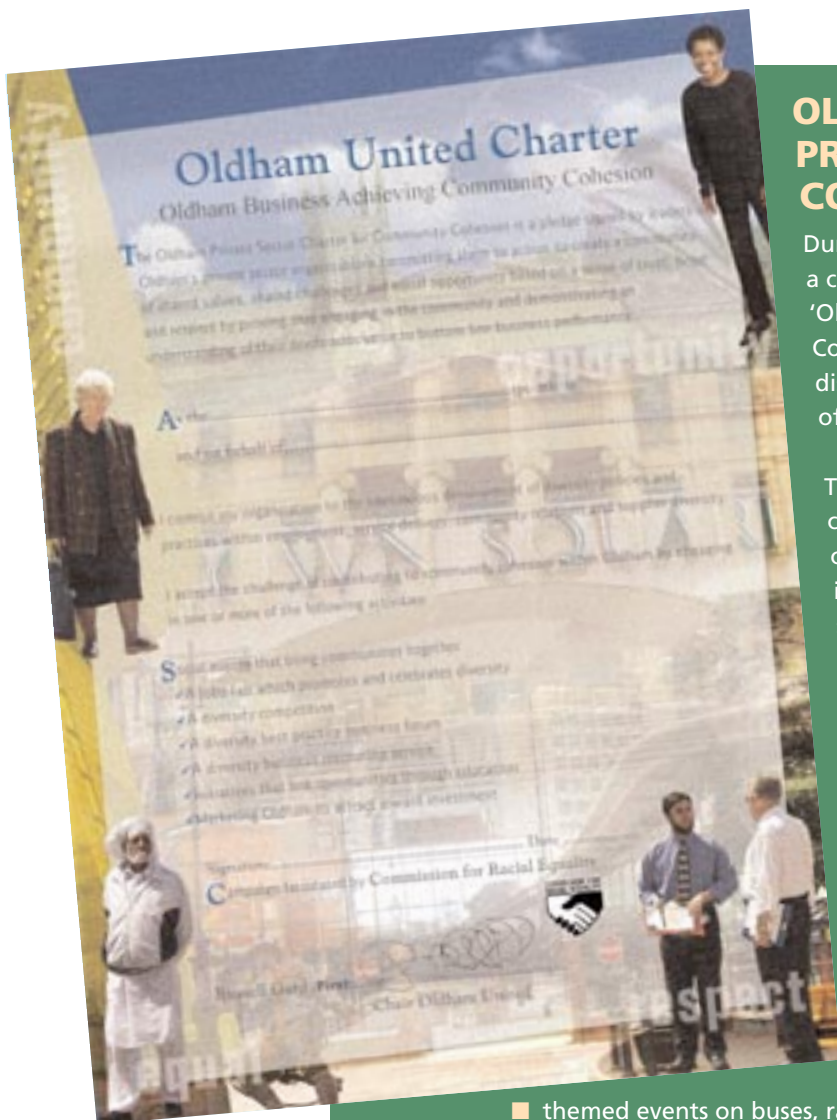
We continued our involvement in an EU-funded project that aims to strengthen cooperation between all the new statutory equality bodies. We took part in expert seminars in Brussels, Vienna and Stockholm, and in the pilot stage of a web-based resource that will allow EU equality organisations to exchange information more easily. This type of cooperation gives others the chance to benefit from our long experience, and helps us learn from approaches taken elsewhere.

The European Monitoring Centre against Racism and Xenophobia (EUMC), based in Vienna, coordinates the RAXEN project, which provides information on racism and xenophobia for each country in the EU, covering topics such as legislation, racial violence, employment, good practice, and media coverage. We continued to lead on producing this information for the UK. All the reports produced in 2003 were assessed as being of a high standard and, at a meeting of the information providers in Vienna, one of our reports was used as an example of 'outstanding' work.

Working with business

In June 2003 we agreed a new strategy for our work in the private sector, which sets out our aim of 'ensuring that all citizens have fair and equal access to economic participation in





OLDHAM UNITED: PROMOTING COMMUNITY COHESION

During 2003 we developed and supported a campaign led by the private sector called 'Oldham United: Oldham Business Achieving Community Cohesion'. This followed the disturbances in Oldham in the summer of 2001.

The campaign demonstrates how businesses can work together to help build cohesive communities. Many businesses have been involved, from large national companies, such as J Sainsbury and First Group, to locally based firms such as Ferranti Technologies and Emmanuel Whitaker. The local newspaper – *The Oldham Chronicle* – has also been involved, and has provided support by raising the campaign's profile and ensuring regular coverage.

The campaign has involved various events aimed at promoting good race relations, and improving employment practices in relation to race equality. These have included:

- themed events on buses, raising awareness of and celebrating the cultural diversity within Oldham
- a series of 'managed exchanges' for companies, where they inform potential employees and subcontractors about opportunities with the company, and discuss ways of overcoming barriers to proportionate representation and diversity within their workforce;
- a recipe competition, demonstrating how Oldham has been enriched by its cultural diversity;
- establishing a network that will allow businesses to share examples of good practice in relation to employment and procurement; and
- an advertising and public awareness campaign, assisted by the local media, involving positive images being displayed around the town.

society, and are not prevented from nor hindered in fully participating on the grounds of their race’.

During the year we continued to develop our relationships with key business organisations, including the Confederation of British Industry (CBI), the Institute of Directors, the Federation of Small Businesses (FSB), and the Chartered Institute of Personnel and Development (CIPD); a number of leading companies, including HSBC, J Sainsbury and First Group; the Department of Trade and Industry (DTI), the Department for Work and Pensions, the Inland Revenue, and other government departments; and government agencies such as the Small Business Service (SBS). Many of these organisations got involved in our work through advisory groups and sponsorship.

We worked closely with the Department for Work and Pensions and the Home Office in implementing the recommendations of *Ethnic Minorities and the Labour Market*, a Cabinet Office report, published in March 2003. Trevor Phillips, our chair, is a member of the government’s task force set up to implement these recommendations. We also provided advice to government departments as they began to put into effect the recommendations that applied to them.

Towards the end of the year we held discussions with several professional associations, to make sure that people from ethnic minorities have full access to membership, participation and services, and will advise them on the best ways of recruiting and retaining ethnic minority members.

After consultation with businesses and their representatives, we decided to discontinue the Leadership Challenge in 2003. The purpose of this initiative had been to encourage leaders in the private, public and voluntary sectors to take a personal lead in eliminating racial discrimination and promoting good race relations in their organisations. A review of the initiative early in the year found that businesses thought

that a framework incorporating not only race but also gender, disability, age, religion, and sexual orientation would be more practical. Discussions with the other equality commissions, and with organisations representing the other equality strands, are under way, and we hope to begin work on a revised initiative in 2004.

Encouraging dialogue

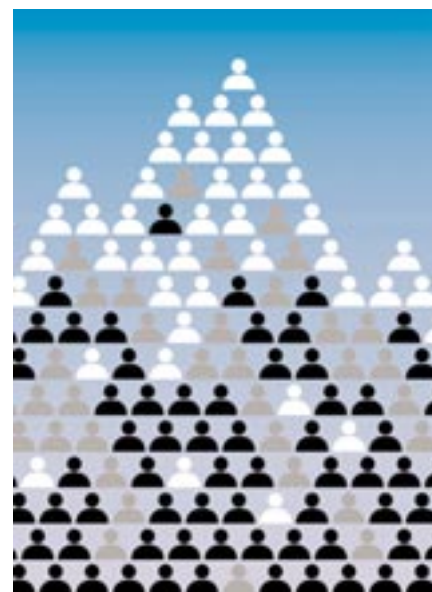
In January, working with the London Development Agency (LDA), we organised a seminar to promote cooperation between private business and non-governmental organisations, and to help the private sector to eliminate racial discrimination.

In December we held the first of a series of seminars, jointly organised with the Policy Studies Institute, aimed at encouraging business leaders to consider racial equality issues in the workplace. It took as its central theme the career progression of ethnic minority employees, and brought together a number of business leaders and diversity specialists. Trevor Phillips, our chair, addressed the seminar, and stressed the importance of increasing racial diversity in the boardroom, and combating the so-called ‘snowy peaks’ syndrome.

Information and guidance

Smaller businesses employ over half of Britain’s working population, and constitute the fastest-growing business sector in the country. To help them achieve racial equality, both in employment and customer services, we decided to produce a practical guide.

We set up an advisory group consisting of organisations that work with and represent the interests of the sector, including the Confederation of British Industry, the Federation of Small Businesses, and the Advisory, Conciliation and Arbitration



▲ At a seminar we jointly organised with the Policy Studies Institute in December, Trevor Phillips, our chair, argued that more needed to be done to melt the ‘snowy peaks’ in Britain’s boardrooms.

WORKING WITH THE TUC

We reached a partnership agreement with the Trades Union Congress, which provides a framework for developing areas of joint work that will achieve the race equality objectives of both organisations. Given the number of unions that are active within public authorities, the agreement will help us to monitor and support the implementation of the race equality duty. It will also provide a means for both organisations to tackle far right political activity within the unions. We will also be able to develop a cooperative approach to developing standards and casework referrals, as well as develop a strategic approach to casework.

Service (ACAS). HSBC offered invaluable sponsorship to cover production and distribution of a CD-ROM. We were also grateful to the Post Office for sponsoring distribution. The CD-ROM will be launched in March 2004 at the thirtieth anniversary conference of the FSB.

We also worked with the other two equality commissions and the DTI on an updated version of our leaflet *Equal Opportunities Is Your Business Too*, which gives businesses general information on the principles of good equality practice. This will also be launched in spring 2004.

Code of practice in employment

In August 2003 we began the task of updating our statutory code of practice in employment, launched in 1984. This was in response to a key recommendation of the Cabinet Office report, *Ethnic Minorities and the Labour Market*.

A working group made up of public, private and voluntary sector organisations gave us valuable advice on the scope and content of a revised code. The code is expected to be tabled in parliament in Autumn 2004, and to come into effect in April 2005.

Research

In September 2003 we commissioned the Policy Studies Institute to collate data on

ethnic minority employees working in the private sector, and to make recommendations on areas of future work. The report was received in December 2003.

Towards the end of the year we began discussions with a small number of companies on a two-year project on applying the broad principles of the race equality duty to the private sector. The project will focus on questions of workforce representation and employee satisfaction. We will also advise the companies participating on producing yearly reviews of their progress in achieving racial equality.

Access to financial services

During 2003 we began work on a number of projects concerning parity of access to financial services for ethnic minority businesses.

We discussed with the British Bankers Association (BBA) a proposal for a credit-scoring leaflet for ethnic minority businesses, which would explain the way financial institutions use credit scoring when they assess loan applications. By the end of the year we were commenting on the BBA's first draft. We began work with a number of agencies to develop guides for ethnic minority businesses hoping to win contracts with medium-sized and large businesses. We also began discussions with the East Midlands Development Agency (EMDA), De Montfort University in Leicester, and the American National Minority Supplier Development Council (NMSDC) to adapt existing guides to the needs of British businesses aiming to develop supplier diversity programmes.

Political parties and parliament

We continued to strengthen our links with MPs from the major political parties during the year, by circulating press releases, statements, briefings, reports, and our new, monthly parliamentary bulletin to MPs and peers, and gave evidence to a number of select committee hearings.

We attended the Labour, Liberal

Democrat and Conservative party conferences, and Trevor Phillips, our chair, spoke at a number of fringe meetings. Together with the Disability Rights Commission, the Equal Opportunities Commission, Equal Rights on Age, and Stonewall, we co-hosted an 'Absolutely Equal' event at each conference. The events included a reception celebrating diversity, and a panel discussion on the party's position on equality, and were sponsored by Barclays.

In September, we co-hosted a parliamentary lunch to raise the profile of the Equality and Diversity Forum (EDF), a network of organisations committed to progress on equality issues. The EDF's chair, Sarah Spencer, is also our deputy chair, and a member of the taskforce on the Commission for Equality and Human Rights (see p 12).

Media

The 2003 Race in the Media Awards (RIMA) ceremony was a major success. Now in its eleventh year, the ceremony once again showed that the British media industry is increasingly reflecting Britain's cultural diversity.



The ceremony was held at London's Savoy Hotel in April, and had an impressive guest list. Ms Dynamite won the Media Personality award. Thanking the other award winners, she said, 'Hopefully, if we continue to give positive and realistic representations of people, their cultures and where they come from, one day we really will be able to give our children equality.'

▲ Ms Dynamite, winner of the Media Personality award, at the RIMA ceremony with CRE chair, Trevor Phillips.



2 USING OUR LEGAL POWERS

The year 2003 was another challenging one for our legal work, which was dominated by a number of key themes.

- We consulted on our new legal strategy, put in place more strategic criteria for taking on cases under section 66 of the Race Relations Act, and refined our approach to enforcing the duty to promote race equality.
- We began work on our formal investigation of the police service, and finalised our formal investigation into HM Prison Service. We also reviewed the way we conduct these investigations, and developed new guidelines for this area of our work.
- We consulted clients and enquirers about the service we provide, and improved the way we deal with legal enquiries.

Advice, assistance and representation

In 2003, we received 903 formal applications for assistance (see Table 1). This represents a decrease of over 30%, compared with 2002. Reasons for this fall include:

- increased awareness among potential applicants of the criteria we are applying to our section 66 work, and the fact that we are now assisting relatively few cases with legal representation;
- reduced resources for dealing with enquiries; and
- the increase in the number of cases being taken on by racial equality councils (RECs).

The number of applications fell in all the areas covered by our offices, with Wales experiencing the most pronounced drop (68%). The overall proportion of applications related to employment matters dropped from 58% in 2002 to 54% in 2003, with Wales again experiencing the sharpest fall (a decrease of 68% compared with 2002).

As Table 2 shows, more than twice as many men applied to us for assistance as women. At 174, Black Caribbean applicants continued to generate the largest number of applications for assistance in 2003, followed

by Black African (142) and Indian (138) applicants. The number of White applicants fell by 50%, compared with 2002. The proportion of applications from Bangladeshis, which we noted as a cause for concern in last year's report, rose slightly, from 1% of all applications in 2002 to 2% in 2003.

Although we have always recognised that we cannot assist everyone who applies to us for assistance, in previous years we did strive to assist everyone who had an arguable case. In 2003, as our legal strategy was put into effect, we began to give priority to cases that clarified points of law or created precedents, that affected large numbers of people, that would help produce legislative change, or that tested the race equality duty. We also looked to assist cases that had a stronger prospect of success than simply that they were arguable.

The fall in the number of cases where we provided full representation is due to the lag period associated with the transition to our new legal strategy. We expect to be representing a different profile of case in 2004, but reporting decisions that are of assistance to a much wider range of people. As in 2003, it is expected that most applicants will continue to receive a full advice and assistance service, short of representation.

Legal representation

In 2003, we considered a total of 1,130 applications (not all of which were received in the calendar year), of which 143 were offered some form of representation. As Table 3 shows, 28 applicants received full legal representation (a fall of 65% compared with 2002), and nine applicants more limited representation (a fall of 84%). The number of applicants represented by RECs rose to 55 (a rise of 244%), reflecting the progress we have made in encouraging RECs to take on this work, while the number represented by trade unions fell slightly to 25, and the number represented by solicitors, law centres and others remained at 26.

Inside HM Young Offenders Institute Feltham, one of the subjects of our formal investigation into the prison service.

TABLE 1: APPLICATIONS FOR CRE ASSISTANCE, BY REGION AND COUNTRY, 2003

CRE office	EMPLOYMENT		NON-EMPLOYMENT		OUT OF SCOPE		TOTAL	
	Jan – Dec 2002	Jan – Dec 2003	Jan – Dec 2002	Jan – Dec 2003	Jan – Dec 2002	Jan – Dec 2003	Jan – Dec 2002	Jan – Dec 2003
Manchester	60	19	36	62	1	0	97	81
Leeds	56	36	44	41	0	0	100	77
Edinburgh	51	38	74	39	1	0	126	77
Birmingham	141	81	120	67	14	0	275	148
Cardiff	71	23	56	19	6	0	133	42
London and South	382	289	178	189	9	0	569	478
Total	761	486	508	417	35	0	1,300	903
% of total	58%	54%	39%	46%	3%	0%	100%	100%

Case outcomes

Of the 51 cases we assisted with representation at tribunals and courts during the year (see Table 4), seven were heard successfully, and 30 settled for a total sum of £635,234. Ten cases were dismissed, following a hearing.

Case law

One of our duties under the Race Relations

Act is to monitor the way the Act is working, and to submit reviews to the home secretary. Some significant cases are summarised below.

Mr D’Souza v London Borough of Lambeth

We occasionally take a case that paves the way for legislative change. Sometimes the time between the end of the case and the introduction of legislation is very short, as

TABLE 2: APPLICATIONS FOR CRE ASSISTANCE, BY ETHNIC GROUP AND SEX, 2003

	MALE		FEMALE		TOTAL	
	Jan – Dec 2002	Jan – Dec 2003	Jan – Dec 2002	Jan – Dec 2003	Jan – Dec 2002	Jan – Dec 2003
Bangladeshi	12	16	3	4	15	20
Black African	125	100	65	42	190	142
Black Caribbean	174	108	104	66	278	174
Black Other	38	30	25	18	63	48
Chinese	18	9	10	12	28	21
Indian	143	104	61	34	204	138
Irish	13	23	7	12	20	35
Other	168	163	94	56	262	219
Pakistani	114	40	26	16	140	56
White	64	27	36	23	100	50
Total	869	620	431	283	1,300	903

Note: ‘Other’ includes Gypsies and Jews, which are protected groups under the Race Relations Act. We received 28 applications from Gypsies in 2003, a fall of 38% compared with 2002. See p 33 for details of our Gypsy and Traveller strategy.

the government has already decided that the law needs to be changed.

Mr D’Souza worked for the London Borough of Lambeth until his dismissal in 1990. An employment tribunal found that the council had discriminated against Mr D’Souza, and ordered that he be reinstated, but the council refused to comply. Mr D’Souza then brought a fresh claim alleging that the council had victimised and racially discriminated against him when it refused to reinstate him. The issue was whether he could bring a claim, as the employment relationship had come to an end. At the time, the Race Relations Act (RRA) did not cover discrimination against those who were no longer employed at the time of the act being complained about.

We supported Mr D’Souza’s case from the employment tribunal to the House of Lords. The House of Lords decided that it was possible to bring such a claim, but that as Mr D’Souza was seeking to enforce a remedy ordered by an employment tribunal, not a remedy available under the RRA, that remedy was not available in his case. A few months later, the incorporation of the EU race equality directive into British law (see p 24), bringing with it rights to bring claims

TABLE 3: LEGAL REPRESENTATION, 2003

	Jan – Dec 2002	Jan – Dec 2003
Full CRE legal representation	81	28
Limited CRE representation	56	9
Representation by trade unions	30	25
Representation by RECs	16	55
Representation by others	26	26
TOTAL	209	143

Note: In addition, in 2003, we gave 774 complainants full advice and assistance, short of representation, with their applications. In a further 25 cases, the advice and assistance was limited to conciliation. A total of 41 applications were either out of scope or out of time, and 147 were withdrawn.

under the RRA after an employment relationship has come to an end, cured this anomalous position.

Mr Essa v Laing

In this important case, the Court of Appeal set out the proper test for determining whether and on what basis compensation is to be paid for personal injury in discrimination cases.

Mr Essa is a black Welshman. In 1999 he was working as a labourer on a construction site in Cardiff, where he was subjected to

TABLE 4: OUTCOMES OF CRE-ASSISTED CASES, 2003

	EMPLOYMENT		NON-EMPLOYMENT		TOTAL	
	Jan – Dec 2002	Jan – Dec 2003	Jan – Dec 2002	Jan – Dec 2003	Jan – Dec 2002	Jan – Dec 2003
Successful at hearing	9	7	0	0	9	7
Dismissed at hearing	3	8	13	2	16	10
Settled (during litigation)	30	18	14	12	44	30
Other	3	2	1	2	4	4
TOTAL	45	35	28	16	73	51
	£	£	£	£	£	£
Awards	30,254	21,000	0	0	30,254	21,000
Settlements (during litigation)	431,144	559,384	30,700	54,850	461,844	614,234
TOTAL	461,398	580,384	30,700	54,850	492,098	635,234

Notes

1. The lowest award in 2003 was £6,000, and the highest £15,000.
2. During the year, we settled 33 cases for a total sum of £87,954, compared with 75 cases in 2002 for £251,544.

A qualified apology

Mr Tony Sinclair v Sutton Coldfield Recreational Trust and Trust Club and Others

Mr Sinclair, who is of mixed Asian and white ethnic origin, took his claim of racial discrimination to the Birmingham tribunal when he became dissatisfied with the way his employer was responding to his grievance. He worked part-time as the bar steward at a sports and recreational club in Sutton Coldfield.

In January 2002, Mr Sinclair complained that the chairman of the trust was discriminating against him by speaking down to him and calling him 'boy'. A grievance panel concluded that Mr Sinclair had been racially abused. The trust, which ran the club, did not accept the findings, as the panel had not heard evidence from both sides, and set up another committee, which rejected the complaint in April 2002.

In May 2002, Mr Sinclair was suspended, and required to attend a disciplinary hearing concerning the way he was running the bar. He denied the allegations, and felt that he was not given a fair hearing. Despite regular requests to be told of the outcome, Mr Sinclair heard nothing, and resigned in July 2002. He brought a second claim before the Birmingham tribunal.

The club agreed to settle the case, without admitting liability, on the second day of the hearing, for the sum of £17,500, and an apology for the 'form and manner in which his employment ended, and for any conduct or comments that he perceived to have been racist'. The trust agreed to work with the CRE to develop an equal opportunities policy.

racial abuse. He left his job and suffered from depression following the incident. He was unable to look for further work, and lost his interest in amateur boxing, as he was afraid of being subjected to further racial discrimination.

We supported this case in the employment tribunal and the employment appeal tribunal (EAT). The employment tribunal said that Laing was only liable for the psychological injury to him that was reasonably foreseeable. We, together with the Equal Opportunities Commission (EOC) and the Disability Rights Commission (DRC), were concerned that this suggested Mr Essa was not entitled to compensation for the long-lasting effects of his depression, as it was not a foreseeable reaction. Mr Essa appealed

to the EAT, which said that the employment tribunal had applied the wrong test. Laing then took the case to the Court of Appeal, where all three equality commissions intervened to argue that the proper test was one of simple causation, not one of reasonable foreseeability. The Court of Appeal, by a majority, concluded that this was indeed the proper test in discrimination cases.

Mr Russell v Specialist Computer Centre

The significance of *Essa v Laing* was demonstrated by this case, which we first mentioned in last year's report. The Birmingham tribunal upheld Mr Russell's claim of racial discrimination arising out of racial harassment. The tribunal reconvened in August 2003 to consider remedies, and found that Mr Russell, who is of African Caribbean origin, had left his job as a result of the racial harassment, and had not been offered suitable alternative employment. He was awarded over £23,000 for lost earnings, as he had not been able to work since the discrimination. He had suffered from anxiety and depression, and medical experts agreed that this was probably caused by the discrimination. Relying on the EAT's decision in *Essa v Laing*, the tribunal awarded Mr Russell £4,000 for psychiatric injury and £6,000 for injury to feelings.

Ms Patterson v Legal Services Commission (LSC)

We first mentioned Ms Patterson's case in last year's report. At that stage, the EAT upset the employment tribunal's decision that it did not have jurisdiction to consider Ms Patterson's claim. The EAT held that the relationship between a solicitor who held a franchise to provide legal services under the LSC's Community Legal Service was caught by both section 4 and section 12 of the Race Relations Act, and therefore the employment tribunal did have jurisdiction to hear a discrimination claim. The LSC appealed to the Court of Appeal, which allowed the

appeal in relation to section 4, holding that Ms Patterson was not in an employment relationship with the LSC. However, it upheld the EAT's decision that Ms Patterson's case was covered by section 12. It did this on the basis that it considered that the dominant purpose of the contract between the parties was to enable Ms Patterson to provide publicly funded legal services to her clients in accordance with the standards laid down by the LSC. The LSC has petitioned the House of Lords for leave to appeal.

Other cases

During the year, the House of Lords gave two important judgements with far-reaching consequences for all race cases.

Shamoon v Chief Constable of Royal Ulster Constabulary

In this case, the House of Lords gave definitive guidance on how to approach a direct discrimination case, and who is capable of being a comparator.

The House of Lords restated that the detriment test must look at all the circumstances, and decide whether the treatment complained about would be regarded as a detriment by a reasonable employee. In this case, the fact that Ms Shamoon had been relieved of her usual counselling duties was likely to affect her standing among colleagues adversely, and could therefore be considered a detriment.

On comparators, the House of Lords distinguished between victimisation cases where the comparator is a person who had not done the protected act, and a direct discrimination claim where the comparator's circumstances must be much closer to those of the complainant. In this case, the House of Lords found that the employment tribunal was wrong to take Ms Shamoon's male colleagues as comparators, as there were material differences between her circumstances and theirs.

In relation to the burden of proof, the House of Lords held that once a finding of

less favourable treatment had been made, then it was possible to infer that the complainant had suffered discrimination, and that it was for the respondent to rebut this by showing that there was some other explanation for how she was treated.

Pearce v Governors of Mayfield House School

The main issue here was whether the Sex Discrimination Act could be interpreted to cover those who complained of sexual orientation discrimination. The House of Lords decided that it could not, but in the

Race Discrimination Unit cases

Ms Osbourne v Sleek International Ltd

Ms Osbourne, a black female manager, overheard the word 'nigger' being used during a team day out at a hotel. The person who made the offensive 'joke' was dressed in an Afro wig, and was mimicking a South African accent. Ms Osbourne left the scene in distress and in tears. She made a complaint to management about the incident. The company's response to the complaint was to discipline Ms Osbourne for her failure to control the staff's unruly behaviour, notwithstanding the fact that she was expected to confront a group of white, drunken workers making racial remarks. Ms Osbourne later resigned. The company tried to argue that overhearing the word 'nigger' was not offensive to a black person. Ms Osbourne won at tribunal and received £6,000 in compensation.

Mr Siddiqui v Asite (CRRCT) Solutions

Mr Siddiqui, a British citizen, joined IT company Asite (CRRCT) Solutions in December 2001. Racist abuse began within weeks of his joining. Mr Siddiqui suffered daily insults from two white managers, who used to call him 'Paki', 'dirty Arab' and 'Afghan terrorist' to his face. They also constantly called him a homosexual. Mr Siddiqui also found posters around the office, with his face replacing other people in the picture. One of these featured the Nazi propaganda minister Josef Goebbels standing next to Adolf Hitler. Mr Siddiqui told the employment tribunal in London: 'No-one admitted [that they had made the pictures], and they all said that they were funny and done in good humour. I believe that this demonstrates my colleagues' inability to distinguish between good humour, and racist and homophobic abuse.' Mr Siddiqui won his claim of racial discrimination against the company, and his managers.

course of reaching its conclusion it had occasion to comment on the leading case of *Burton and Rhule v De Vere Hotels* (the ‘Bernard Manning case’), which concerns the liability of employers for the discriminatory acts of third parties. The House of Lords decided that *Burton and Rhule* was wrongly decided and could not be relied upon, thus sweeping away at a stroke the basis upon which many hundreds of cases have been fought and settled.

Other developments

During 2003, two sets of regulations bearing on the cases that can be taken before the courts and the tribunal came into effect.

Race Relations Act 1976 (Amendment) Regulations 2003

On 19 July 2003, a new law strengthening protection from racial discrimination and harassment came into effect. The Race Relations Act 1976 (Amendment) Regulations 2003 (‘the race regulations’) incorporate the EU race equality directive into British law by making changes to the Race Relations Act 1976 (see p 27 for details of our response to these regulations).

Employment Equality (Religion or Belief) Regulations

Towards the end of the year, these regulations, which prohibit discrimination in employment and training on grounds of religion or belief, came into effect. The regulations do not, strictly speaking, relate to race matters, and we have no authority to assist someone who intends to bring a case under them. However, we may have a role in a religious discrimination case under the Race Relations Act if:

- a religious group is also a racial group (to date, Jews and Sikhs are the only faith groups that have been established as racial groups in test cases);
- religious discrimination amounts to unlawful indirect racial discrimination against a racial group; or
- in a case of multiple discrimination, one element is unlawful racial discrimination, and we are involved on that basis.

Section 44

We provide financial assistance to RECs and other organisations under section 44 of the Race Relations Act, to provide assistance and representation to complainants under the Act. This important work is likely to become even more significant in the future, as we seek to develop and transfer expertise on racial discrimination to external organisations.

One of the organisations we fund is the Race Discrimination Unit (RDU), which provides advice and representation to those who live or work in London, and who have experienced racial discrimination in the workplace. The box on p 23 gives examples of cases taken by the RDU.

Enforcement and the duty to promote race equality

This aspect of our work focuses on the strategic use of our legal powers in the following areas:

- the general statutory duty (section 71 (1) of the Race Relations Act);

DISCRIMINATORY ADVERTISEMENTS

Section 29 of the Race Relations Act makes it unlawful to publish an advertisement that indicates an intention to discriminate on racial grounds. Only the CRE can take legal action in these cases.

In 2003, we received 48 formal complaints about advertisements, including a number concerned with the positive action provisions of the Act, which allow employers to encourage, or provide training for, people from racial groups that are under-represented in particular areas of work.

We received 26 complaints about ‘No Travellers’ signs.

The regulations introduce a new definition of indirect discrimination, a new statutory definition of harassment, extended protection against harassment in non-employment cases, post-employment rights to bring claims, a new burden of proof, and a revised genuine occupational qualification.

An unequivocal apology

Mr Jayyosi v DaimlerChrysler UK Ltd

Mr Jayyosi was a Palestinian asylum seeker at the time he was dismissed by DaimlerChrysler UK Ltd, allegedly because his post had become redundant. The Bedford employment tribunal found unanimously that Mr Jayyosi's dismissal amounted to racial discrimination, and that he was subjected to a number of racially abusive incidents, including comments about his ethnic origin, and his password being changed to 'suicide bomber'. He has not worked since being dismissed on 28 June 2002, despite strenuous efforts to find employment.

On 23 October 2003 the tribunal awarded him nearly £80,000 in compensation for lost earnings, and for injury to feelings. The tribunal also ordered DaimlerChrysler to provide Mr Jayyosi with an unequivocal letter of apology, and a reference setting out the true reason for his dismissal. It was ordered to confirm that Mr Jayyosi's dismissal was not due to his post becoming redundant, but in fact amounted to an act of racial discrimination.

- the specific duties (the additional duties brought in by parliamentary order); and
- formal investigations.

The general statutory duty

We received no formal applications from individuals seeking advice or assistance in relation to possible breaches of the general statutory duty during 2003. Also, we did not take on any cases in our own name to enforce the duty. However, we considered a number of possible actions regarding issues that were brought to our attention during the year, including the provision of services and sites for Gypsy families, the closure of schools, and the location of centres for asylum seekers.

We also began looking at the possibility of a fast-track system for possible judicial reviews, so that there are no barriers to effective legal action once a matter has been brought to our attention.

We also discussed with the Home Office possible additions to the list of organisations that are liable to the duty, prior to the Home Office amending the list in December 2003.

The specific duties

Section 71D of the Race Relations Act gives us the power to serve a compliance notice on

any public authority that fails to meet any of its specific duties. In 2003, we continued to use our compliance powers to enforce the race equality duty.

We issued one formal compliance notice against a local authority. This was served on Conwy Borough Council in May 2003. In a letter in April, we warned the council that we might take action against it if it did not produce a race equality scheme (RES). In its response, the council failed to provide satisfactory evidence that it would do so. We then issued the compliance notice, and the council complied with the requirement to produce an RES within three months of the date of the notice. We are currently in discussions with the council on improvements to its RES.

We considered other cases during 2003, where organisations had produced RESs that were wanting in some areas, or where organisations had made only perfunctory arrangements for meeting their employment duties.

In September, we changed our compliance procedures for enforcing the specific duties. We decided that, if an organisation does not have the required RES, race equality policy (REP), or arrangements for meeting the employment duty, depending

PRESSURE AND INSTRUCTIONS TO DISCRIMINATE

Sections 30 and 31 of the Race Relations Act make it unlawful to instruct someone, or put pressure on them, to discriminate on racial grounds. Only the CRE can take legal action in these cases.

During 2003, we received five complaints of people being pressured or instructed to discriminate, compared with 14 in 2002. One explanation for this decrease is that most complaints are referred to us by the Jobcentre Plus network, which has recently been through a major restructuring process.

We did not bring any proceedings during the year.

on the duties it is bound by, the matter will be referred to our legal department immediately. We also decided to speed up the compliance procedure for unsatisfactory documentation. Previously, if a listed organisation failed to produce the required documentation, we responded by issuing advisory and warning letters, and providing one-to-one assistance to assist it in meeting its duties. However, this approach was unsustainable, and we recognised that some organisations were using the procedure as a delaying mechanism, rather than as a means of complying with the duties.

We sent 103 compliance letters to public authorities during the year, informing them that they might be failing to meet the specific duties, and asking them to take steps to remedy the situation within a reasonable period of time. This work generally proved very effective, with most authorities responding quickly to our intervention, and

ensuring that they complied with the law by producing or improving their RESs or REPs.

Formal investigations Police Service

During 2003 we received 89 applications for assistance against the

police, of which 13 concerned employment matters, and 76 service issues. This was an overall increase of nine per cent, compared with 2002. In October, while we were considering these complaints, the BBC broadcast *The Secret Policeman*, a documentary that included explicit footage of racist behaviour at a police training college. In the same month, Trevor Phillips, our chair, confirmed that he intended to instigate a formal investigation of racism in the police service in England and Wales, and in December, we formally confirmed that we would be launching the investigation, led by Sir David Calvert-Smith QC, former director of public prosecutions at the Crown Prosecution Service. The terms of reference of the investigation will be announced once they are finalised. We hope to publish our initial findings by the end of spring 2004.

Continuing investigations

Her Majesty's Prison Service

In December we completed our formal investigation into HM Prison Service and published Part 2 of our investigation report. We found the service liable for unlawful racial discrimination in 14 areas, and made two overall findings: first, the service had failed to deliver equivalent protection to all the prisoners in its care; and second, the service had failed to deliver racial equality in the way it employs staff or treats prisoners.

We drafted a detailed action plan for achieving racial equality throughout the service, and published this alongside our report. We were pleased that the service accepted our plan, and will work with it to monitor progress.

Concluded investigations

London Borough of Hackney

In December 2000 we issued a statutory five-year non-discrimination notice against the London Borough of Hackney, following our formal investigation into allegations of persistent discrimination. There were important developments concerning our

Our chair, Trevor Phillips, and Phil Wheatley, director general of HM Prison Service, at the launch of the report on Part 2 of our formal investigation of the service.



monitoring of the notice during 2003. We were concerned that we might not be able to track changes properly through the reports presented to us by the council, and it was agreed that we would visit the council's offices in order to inspect documents and speak with council officers. The council's cooperation meant that we did not have to use our legal powers to obtain this information. This work is continuing.

Formal agreements

Ministry of Defence

Following the conclusion of our five-year partnership agreement with the Ministry of Defence (MoD) on 31 March 2003, we entered into a second partnership agreement with the ministry in July 2003. The MoD has actively sought our continuing cooperation, following the conclusion of our formal investigation into the ministry in March 1996.

The new partnership agreement will focus on the recruitment, retention and promotion of officers from ethnic minorities in the armed forces, and complements work already being done by the forces in accordance with their race equality schemes and employment duties. We are pleased with the enthusiasm of the MoD and the individual forces for improving racial equality in their employment functions.

The first statistical review under the agreement has taken place, and will serve as a baseline for interpreting further data, as they are collected in the coming years.

Following up cases

In the past, our policy has been to follow up cases that have resulted in a finding of racial discrimination, whether or not we provided full legal representation. We identified employers who had lost employment tribunal cases, and who we thought would benefit from our assistance in revising their practices and policies, or developing their ability to identify training needs and improve management.

In 2003 we announced that, due to

Boundaries of discrimination

Dr Goyal v Kirkcaldy Cooperative

In the 1990s, Dr Goyal, a GP of Indian origin, worked in Cardenden, Fife. He applied to join a cooperative in Kirkcaldy, in order to access NHS funding for out-of-hours patient cover, but was unsuccessful, as Cardenden was outside the cooperative's area. When pressed by Fife Health Board, the cooperative extended its boundaries to include two other practices, but refused to include Cardenden, claiming that it was too remote for the provision of safe patient cover. Dr Goyal claimed that he had been excluded on racial grounds.

The tribunal upheld Dr Goyal's complaint, comparing his situation to that of one of the included practices, where all the doctors were white and British. The cooperative was ordered to pay over £19,000 compensation for injury to feelings, but has appealed against the tribunal's findings. The appeal is due to be heard in April 2004.

Prejudging the outcome

Dr Goyal v Fife Health Board

In 1998, Fife Health Board set up a GP support panel to help poor performers. Dr Goyal's performance was criticised in a number of areas, and the support panel took action. Dr Goyal claimed that he was discriminated against on racial grounds in the way he was treated by the panel, and the Dundee tribunal agreed. The tribunal was critical of the panel for presenting Dr Goyal with detailed concerns about his referral and prescribing practices in a meeting, without raising these concerns in advance; for not advising him to have a representative present; and for prejudging the outcome. The tribunal found that, if Dr Goyal had been a white British doctor, he would have been treated differently.

The board was ordered to pay £6,000 compensation for injury to feelings. Dr Goyal is appealing the level of the award.

limited resources, we were unfortunately no longer able to carry out follow-up work, and were running down our current cases.

Responding to legislation and government proposals

Race Relations Act 1976 (Amendment) Regulations 2003

We set out our concerns regarding these regulations (see p 24) in a parliamentary briefing. While we supported the

Worn out by the system

Ms Masters v City of Edinburgh Council

Ms Masters, who is of black African origin, was promoted to domiciliary care manager at the council's office in Craighton. In 1996, after four months in the job, she took time off work with depression. She felt she was being harassed by two members of her team because she was the only black manager. She spent the next two years trying to get the council to investigate her complaints, but it was not until 1998-9 that her grievances were given a formal hearing, and in July 1999 a full re-investigation was ordered. By this time Ms Masters had brought her claims to a tribunal, but the proceedings were contested as being out of time. The case went to appeal, and it was at this stage that the CRE became involved. Although the appeal was successful, Ms Masters found herself, in late 2002, still at the beginning of legal proceedings, some six years after her problems had started.

This case highlights the severe difficulties faced by people with claims for racial discrimination. Ms Masters had sought help from her union and private solicitors at some cost, but felt that she never got a satisfactory hearing of her grievances. She agreed to settle her case with the council for the sum of £50,000, without any admission of liability.

implementation of the new standards and definitions in the race equality directive, we were disappointed that the government chose to implement its provisions through secondary legislation. This will result in more complex and confusing legislation for individuals, employers, businesses, and the public sector, and for the race equality duty. In particular, the regulations will create a two-tiered structure within the 1976 Act, as they contain significant amendments to the Act that will apply only to race and ethnic or national origins, and will create legal uncertainty as to its scope.

This confusion will inevitably result in increased litigation to clarify the law, with financial consequences for businesses, complainant aid organisations, including ourselves, and the courts and tribunals. The increased complexity in the race relations legislation may also strengthen the argument for public funding for victims of discrimination, to protect their right to a fair hearing under Article 6 of the European Convention on Human Rights. We considered that the costs of litigation to resolve these complexities had

not been taken into account in the government's regulatory impact assessment, which was included in the consultation document.

Our concerns were shared by peers and MPs who scrutinised the regulations.

Judicial appointments

In June 2003, the government announced its intention to consult on proposals for constitutional reform. We responded to proposals for a new commission to appoint judges, and gave evidence to the House of Commons Constitutional Affairs Committee on this subject.

We believe that public confidence in the judiciary is critical to its legitimacy. If the judges reflect a narrow social and educational group, then it is easier to allege that they are biased, unsympathetic or out of touch, and while such allegations may be unfounded, they undermine public confidence in the judges. We believe that a more diverse judiciary, appointed through an open appointments procedure, will strengthen the confidence of all communities in the judiciary.

Immigration and asylum

We responded to the government's consultation on proposals to limit publicly funded immigration and asylum work. The government's stated aims were to provide 'publicly funded legal services as a means of promoting social justice and economic well-being, and tackling social exclusion', and to provide high-quality advice. We were not persuaded, however, that the proposals would deliver the stated aims, or provide equal access to justice for all racial groups.

First, we were concerned that the imposition of maximum funding limits would not prove cost-effective for private practitioners, who might decide to withdraw from publicly funded immigration and asylum work, leaving a lack of lawyers and a gap in the market to be filled by unscrupulous advisers. This would be contrary to one of the main aims of the proposals: the provision of good-quality advice. At the very least it would severely restrict access to justice for ethnic minority groups, be they asylum seekers or members of ethnic minorities already living in the country, as it would affect the availability of

advice on issues such as family visitors, students, marriages, and the immigration status of spouses suffering domestic violence.

Second, the evidence from practitioners suggests that it will probably not be possible to prepare cases thoroughly, and to the high standards envisaged by the government, within the proposed limits, and we were concerned that these limits are likely to have an adverse effect on the quality of advice available.

Third, we believe that the consultation process was inadequate, as it doesn't appear to have included consultations with groups representing ethnic minorities, such as racial equality councils, some of which provide immigration advice.

As we could not find any evidence within the consultation document that the impact of the proposals on racial equality had been assessed, we strongly recommended that the Department for Constitutional Affairs comply with the race equality duty by consulting adequately, assessing the impact of its proposals on racial equality, and publishing the results of this consultation and assessment.



3 WORKING WITH COMMUNITIES

During 2003, we engaged with a range of issues affecting racial equality and good race relations in local communities.

- Trevor Phillips, our chair, launched the Safe Communities Initiative, which will allow us to respond to community tensions and disturbances more effectively.
- We continued to oppose far right political activity that threatens good race relations.
- We made progress in identifying work we can do on asylum and immigration.
- We developed a draft three-year strategy for work with Gypsies and Travellers.
- We held discussions with faith organisations, as part of our work on promoting good race relations.
- We worked with a range of public sector organisations on initiatives to promote good race relations.
- We changed the way we award grants to organisations carrying out local racial equality work, focusing much more on the specific objectives they want to achieve.
- We launched an investigation into the under-representation of people from ethnic minorities in the non-playing side of professional football.

Making communities safer

One of our new chair's first acts on taking office in March 2003 was to launch the Safe Communities Initiative (SCI). The SCI is our response to the tension and conflict between communities that has caused increasing concern in recent years, particularly following the civil disturbances in Bradford, Oldham and Burnley in the summer of 2001, and the attacks on members of the Muslim and other communities following the terrorist attacks in the USA on 11 September 2001.

The main goal of the SCI is to coordinate more effective responses to these issues. We are aware of the wide range of organisations already involved in preventing community tensions, and the SCI's steering group therefore has a broad membership, bringing a

variety of perspectives to the initiative's work. The steering group is chaired by Perry Nove, former commissioner of the City of London Police, and includes representatives from the main religions, conflict resolution groups, central government, the police service, education, and advice and youth organisations.

The group met several times during the latter part of 2003 to discuss SCI policy, to receive presentations from organisations that have been involved in resolving community conflict, and to agree a programme of work.

The initiative will focus on providing information and advice on promoting good community relations, based on work being done around the country, and on dealing with disputes or tensions before they come to a head. It will identify the most effective approaches, and promote them as widely as possible. It will eventually form a source of expertise for all communities and community organisations.

The steering group agreed that the SCI's work will focus on groups such as Muslims, Gypsies and Travellers, and young people, and will also tie in with our work on asylum and immigration, and far right political activity. In 2004 it will include:

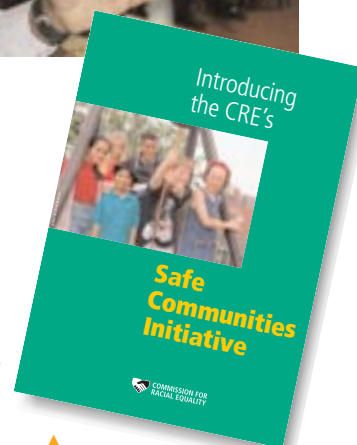
- producing guidance on preventing and tackling conflict, and advice on dealing with incitement to racial hatred;
- organising seminars, conferences and other events, where experiences can be shared and discussed;
- providing training and information, including compiling case studies of conflict situations and good practice; and
- study visits to locations around the country that have experienced community conflict.

Opposing extremist activity

One of the key factors causing tensions at the



Owen Humphries / PA



- ▲ Our chair, Trevor Phillips, speaking with members of the public in Mixenden, Halifax, where the BNP enjoyed electoral success in March. Our Safe Communities Initiative is designed to respond to community tensions, such as those exacerbated by far right political groups.

community level, particularly along ethnic lines, is the political activity of the far right. With its emphasis on the exclusivity of white communities, and their need to be separate from other racial groups, this activity is in

sophisticated BNP had changed both its image and tactics in order to win votes and seats. In the same month, our chair confirmed in his speech at the TUC's annual conference that we would back unions that expelled BNP



▲ A Burnley resident showing support for a shopkeeper whose shop has been defaced with racist graffiti. One of the aims of our Safe Communities Initiative is to help foster good community relations.

direct conflict with our statutory duty to promote good race relations. We are therefore determined to confront this activity directly. In 2003 this primarily involved opposing the British National Party (BNP)'s campaigns in elections for local council seats; by the end of the year the party had 17 councillors in eight authorities.

In September we contributed to a major newspaper article, explaining how a more

members. As a result we supported the government's proposed Employment Relations Bill, which will make it easier for trade unions to expel members who have been involved in far right political activity. Speaking at the Conservative Party's annual conference in October, our chair publicly called on the party to do more to repel the BNP.

Throughout the year we monitored both the electoral performance of the BNP and other far right political groups, and the issues on which they campaigned.

Hostility towards other minority groups was a constant underlying theme. We also worked closely with organisations that were conducting research into the BNP's activity during elections. By the end of the year, we had developed greater expertise on the subject of far right political activity, and our advice was often sought on how the threat this activity posed to good race relations could be dealt with effectively.

TALENTED FUTURES

Talented Futures is a mentoring project run by the young people's charity, RPS Rainer, and funded by the Millennium Commission. It was set up to improve the lives of young people from deprived areas, and has recruited 360 people to act as mentors for people who are having difficulties. We continued to support this scheme during 2003, and were involved in arranging a celebration of its achievements at the House of Commons in May.

Trevor Phillips, our chair, praised the scheme's success: 'Talented Futures has been very successful at empowering young disadvantaged people who can use their own, sometimes challenging life experiences, to the benefit of others.'

Asylum and immigration

During the year, we identified three areas where we can intervene on asylum and immigration issues:

- working to achieve more balanced coverage of asylum and immigration issues in the media;
- contributing to the development of government policy on integration and community relations; and
- ensuring that asylum and immigration issues feature prominently in our work on promoting good race relations.

We held meetings with voluntary, public and private sector organisations that share our concerns about the implications of asylum and immigration policy for racial equality and good race relations. To help us develop our asylum and immigration strategy, we held two consultative events in May for a range of non-governmental organisations, including the Refugee Council.

We also made encouraging progress in developing our relationships with the statutory bodies responsible for asylum and immigration policy, in particular the National Asylum Support Service, which is responsible for the dispersal of asylum seekers.

In October, we commented on the government's latest proposals for asylum and immigration reform. We expressed our concern about their implications for racial equality, particularly the restrictions on rights of appeal, and the prospect of the children of asylum seekers being taken into care.

In November we jointly organised a well attended conference with the Refugee Council on how public authorities can use the Race Relations Act to promote racial equality for refugees and asylum seekers, and how they can contribute to good race relations.

Gypsies and Travellers

During 2003 we made notable progress in our work on Gypsies and Travellers. Gypsies have been legally recognised as a racial group since 1988, and Irish Travellers since 2000.



We hope that, through legal action, we will be able to establish that other groups of Gypsies and Travellers defined by their ethnic or national origins, such as Scottish Gypsy Travellers, are similarly protected under the Act.

We held meetings during the summer with a range of Gypsy and Traveller groups, as a basis for developing a draft strategy for our work over the next three years.

We hope to see measurable improvements in:

- adequate and suitable accommodation;
- educational participation;
- access to primary health care and uptake of preventive health care;
- treatment in the criminal justice system;
- ethnic monitoring; and
- media coverage and public attitudes.

We also hope to see improvements in the ability of Gypsies and Travellers to influence policy, and an increased awareness of the Race Relations Act among Gypsies, Travellers and organisations providing services to these communities.

We launched our draft strategy for consultation in late October, and held a series of consultative meetings in England, Scotland and Wales. We prepared an audio-briefing to encourage widespread involvement, and

▲ Local people in Bicester protesting against government proposals for an accommodation centre for asylum seekers. Asylum and immigration issues are an increasingly prominent part of our work on promoting good race relations.



distributed it to Gypsies and Travellers. We hope to finalise the strategy in early 2004 and develop an action plan.

In our North of England office, our work included supporting a Gypsy and Traveller Network, which deals with regional issues affecting the Gypsy and Traveller community, and helps to inform government policy and practice. Towards the end of the year, we organised a training event on Gypsy and Traveller issues for the probation service in Lancashire, and we will be encouraging the organisation of similar events for other public sector organisations in 2004.

effectively the new Employment (Religion or Belief) Regulations (see page 24) operate.

We also held meetings with government departments working in this area, including the Foreign and Commonwealth Office, and the Home Office's newly formed Faith Communities Unit, to discuss ways in which we could cooperate.

Promoting good race relations

In 2003, we worked extensively with public sector organisations on promoting good race relations. Much of this work took place within the context of the government's wider community cohesion agenda.

We attended meetings of a Home Office contingency planning group, which developed responses to possible intercommunity tensions arising from the Iraq war.

We worked with the Audit Commission to develop performance indicators and guidance on community cohesion for local authorities. In the latter part of the year we began work with the Local Government Association (LGA), the Office of the Deputy Prime Minister, and the Home Office's Community Cohesion Unit to evaluate and revise the LGA's *Guidance on Community Cohesion*.

We met the Partnership and Networks Development Unit of the Foreign and Commonwealth Office (FCO), which was set up in 2003 to take account of the effects of foreign policy on ethnic and religious minority communities living in Britain. We also discussed possible areas of shared work on forced marriages with the FCO. We supported the Department for Education and Skills's anti-bullying initiative, which was launched in November 2003.

Towards the end of 2003, we began work on a non-statutory guide to promoting good race relations for public authorities, as well as other sectors. The findings of our reports on the progress public authorities were making



▲ The burning of an effigy of a Gypsy caravan by Firlie Bonfire Society in Sussex highlighted the prejudice that Gypsies and Travellers continue to face.

Religion and belief

In 2003 we looked more closely at religion and belief as part of our work on promoting good race relations. We held discussions with a number of faith organisations on issues of common concern, and on how we could cooperate in the future. As part of a series of seminars on policy issues relevant to Muslims organised by the British Muslim Research Council, we hosted a seminar on the subject of Muslims and public authorities in July. In August, our chair wrote to the leaders of a number of faith organisations, confirming that we would work with them to see how

in implementing the race equality duty (see p 7) suggested that we needed to produce more detailed guidance on this area.

Getting Results

In 2003 we fundamentally reformed the way we make grants (under section 44 of the Race Relations Act) to organisations – principally racial equality councils (RECs) – to carry out local racial equality work.

In previous years, we provided funds for a broad range of activities, and for staff salaries. Getting Results, our new policy framework, requires organisations to base their bids for funding on planned outcomes of their work, which must fall within one of the following areas:

- leadership;
- cross-community work;
- conflict resolution; and
- alienated communities.

To be successful, bidding organisations also need to demonstrate that they are effectively run. Bids for the funding of legal work can be considered within any of these areas.

To avoid disadvantaging organisations already receiving funding, we split the process into three funding rounds.

We reserved the first round for organisations that had previously received grants. Most of our budget for section 44 work was allocated during this round, with organisations that were not successful at this stage receiving emergency funding, and being invited to resubmit their bids for the second round. This round was also open to organisations that wanted to apply for funding for fixed-term development work. The third round of funding was open to organisations applying for support for the first time.

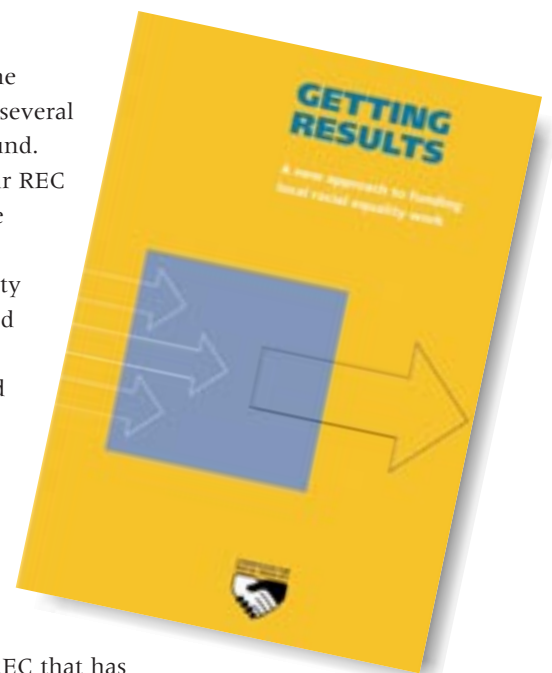
Getting Results allows us to focus on outcomes for racial equality and to measure effectively the difference our section 44 funding is making to local communities across Britain. We are also now funding a more diverse range of organisations.

The new grants regime triggered changes among several of the organisations we fund. For example, Tyne & Wear REC transformed itself into the North East Centre for Diversity and Race Equality (NECDARE). This involved modernisation of its governance structure, and the introduction of an intensive, skills-based recruitment procedure that is now used to select new board members. In southern England, Redbridge REC is a good example of an REC that has improved the quality of its services, and, as a result, has attracted substantial additional funding.

RECs across the country continued to adapt to changes in the race equality field. In the Midlands, Northamptonshire REC produced *The British National Party: A briefing*, a detailed account of the BNP and its policies that has been widely used to help understand and combat far right political activity. In north-western England, Cheshire, Halton & Walton REC helped local Gypsy and Traveller communities to open discussions with their local authorities on the subject of adequate site provision. The REC also actively pursued a strategy of challenging negative media coverage of Gypsies and Travellers.

Another example of innovative work came from Reading REC, which was instrumental in piloting a social inclusion group that brings together equality organisations dealing with issues of gender, disability, poverty, sexual orientation and race. The group's work ensures that the perspectives of the equality strands feed into local policy-making.

Ayrshire Race Equality Partnership (AREP) in western Scotland, which receives a grant from us, brings together the three local authorities, the local health board, the



▲ Getting Results, our new framework for funding local racial equality work, places the emphasis on the specific objectives that organisations aim to achieve.

Procurator Fiscal, the police, and a local ethnic minority forum. The partnership works to identify the best ways of delivering services for local communities.

North Wales Race Equality Network (NWREN) serves six rural counties in north Wales, and brings together individuals and organisations working on racial equality issues across the region. During 2003 it was recognised by the Welsh Assembly as an important organisation for facilitating local consultations on its revised race equality scheme. Our partnership with NWREN has also helped us to understand better the challenges of delivering services in rural areas.

Equal opportunities in football

We have been involved in campaigning against racial discrimination in football since 1993, when we joined the Professional Footballers' Association to launch the 'Let's Kick Racism Out of Football' campaign. Although much progress has been made, the under-representation of people from ethnic minorities in the non-playing side of the game remains a cause for concern: only four of the 92 top clubs in England and Wales have managers from ethnic minorities.

Following discussions with Sir Herman Ouseley (our former chair, and chair of Kick It Out, the independent organisation that was established in 1997 to continue the

SPORTING EQUALS

Sporting Equals is a partnership between the CRE and Sport England. It provides support and advice to organisations planning, developing and delivering sports-related activity.

Sporting Equals also provides guidance on racial equality in sport to a number of government partners, such as the Department for Culture, Media and Sport; the Home Office; and the Department for Education and Skills, through the PE and School Sport Club Links Project. Throughout 2003, Sporting Equals worked with other national partners, including the Local Government Association (on the Promoting Racial Equality Through Sport project), UK Sport, the home sports councils, the English Federation for Disability Sport, and the Women's Sports Foundation (on the Equality Standard, and the national Sports Equity Conference).

During 2003 Sporting Equals worked with over 70 national governing bodies and national sports organisations, six local authorities, and 44 sports partnerships, to help them tackle racism and promote racial equality. By September 2003 all but one of the national governing bodies funded by Sport England had achieved the preliminary level of the Sporting Equals Standard (Achieving Racial Equality: A Standard for Sport). In addition, three organisations had achieved intermediate level: the England Cricket Board, Sportscoach UK, and Sport England. In total, 87 organisations had achieved the preliminary level by the end of 2003.

In May 2003, Sporting Equals published *Raising the Standard*, a research report on the effects of the Sporting Equals Standard and the extent of racial equality policies and plans in English sport, which it commissioned from Leeds Metropolitan University. The report highlighted that, while significant progress had been made, there was still much more to be done.



SPORTING EQUALS
WORKING FOR RACIAL EQUALITY IN SPORT

campaign's work), Trevor Phillips, our chair, announced in October that we would be launching an investigation into racism in football. A wide-ranging questionnaire was circulated to professional clubs and the sport's governing bodies, including county football associations. All the organisations surveyed were asked to provide information on their employment practices, the composition of their boards, their talent-scouting activity, their supporters, and their stadium management. The Football Association and the Premier League both welcomed the initiative.

We will be analysing the information supplied in the questionnaire responses in 2004. We aim to establish the scale of any racial discrimination in the areas mentioned above, and to determine the effectiveness of



various approaches currently being taken to promote racial equality in football. We will then produce recommendations for dealing with any issues raised, and circulate examples of good practice in the industry.

▲ Viv Anderson (left) is one of the few black footballers to reach management level in British professional football.

About the CRE

Customer service

Standards of service

When you write to us

- We will reply to, or acknowledge, your letter within ten working days of receiving it. A full reply, or a letter explaining why there may be a delay and when you can expect a full reply, will be sent within a further eight working days.
- Our letters will be clear, and written in plain English.

When you telephone us

- We will answer your questions as fully and helpfully as we can.

This page

- When you write to us
- When you call us
- When you visit us
- When we visit you
- When you apply for legal assistance
- When a complaint is investigated by the CRE
- When you need advice on your rights
- When you need advice on your duties
- When you need advice on your responsibilities
- When you need advice on your rights and duties
- When you need advice on your responsibilities
- When you need advice on your rights and duties
- When you need advice on your responsibilities



COMMISSION FOR
RACIAL EQUALITY

COMMISSION FOR
RACIAL EQUALITY
RACE EQUALITY
SCHEME 2002-2005



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4 IMPROVING OUR SERVICES

2

2003 was a year of change for the CRE. Our new chair, Trevor Phillips, took up office in March; four commissioners came to the end of their tenure during the first half of the year; and our chief executive, Daniel Silverstone, resigned in November. In October, the government announced its plans for replacing the CRE and the other equality commissions with the Commission for Equality and Human Rights by the end of 2006 (see p 12).

On his appointment, Trevor Phillips outlined a new challenge for our staff:

'Nothing but the best is good enough for the people we serve. Our job is vital to Britain's future; we owe it to the nation to do it excellently.'

This, together with the recommendations of 2002's 'best-value review', formed the basis for our challenging programme of organisational improvement in 2003.

Performance improvement

We introduced a new appraisal system in April 2003, which measures the performance of staff against their required competencies. The system complements our revised business-planning framework, by ensuring that staff's individual work plans relate to the overall business plan.

We undertook surveys of our customers and of racial equality councils (RECs), and completed a 'mystery shopping' exercise as a comparator for the findings of the survey. We used the results of these exercises to revise our charter standards, and to propose a new code of conduct for our staff. We also established monitoring and spot-checking mechanisms to measure, and report on, the effectiveness of our work.

These exercises demonstrated that we need to manage the expectations of our customers and stakeholders more effectively. Doing so will be a key objective in 2004. Our revised charter standards, 'Aiming High for

Equality', will form the central theme of our 2004 staff conference.

In 2003 we began internal reviews of our legal and corporate affairs teams, as part of a process of scrutinising how effectively services are provided across the organisation. These reviews will examine the way services are currently delivered, and make recommendations for improvement. We will report on their conclusions in 2004.

Our race equality scheme

During 2003 we undertook a review of the first year of our race equality scheme (RES), in line with our duties under the Race Relations Act. Our progress in working towards the eight objectives of our RES action plan during 2003 is summarised below.

Objective 1 – Making sure the CRE's RES is put into practice

- We began work on producing a set of performance indicators to measure how well we are meeting the responsibilities set out in our RES.

Objective 2 – Identifying relevant functions and policies

- In November we produced a report on the progress made during the first year of our RES.

Objective 3 – Assessing and consulting on the likely impact of proposed policies

- We assessed the impact on racial equality of a number of our employment policies, including our induction, appraisal, disciplinary and grievance procedures, and our recruitment and selection policy.
- We produced guidance for our staff to help make sure that they systematically consider equality when drafting policies.

Objective 4 – Monitoring CRE policies for adverse impact

- We set up a project to ensure that accurate and consistent monitoring data is being collected and analysed.

TABLE 5: PERMANENT STAFF IN POST AT 31 DECEMBER 2003, BY ETHNIC ORIGIN, SEX, AND GRADE, IN FULL-TIME EQUIVALENTS

	Chief Exec		Band A2		Band A1		Band B		Band C		Band D		Total		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
White															
English			1		3	2	9	5	6	11	1	5	20	23	43
Scottish					1	1			3			1	4	2	6
Welsh						1				3		1		5	5
Irish				1			2	1	1			1	3	3	6
Other White background						2	2	1		5	1	2	3	10	13
Mixed background															
White & Black Caribbean															
White & Black African									1				1		1
White and Asian															
Other mixed background					1	1		2		2		2	1	7	8
Asian or Asian British															
Indian			1		3	4	2	2	3	7		1	9	14	23
Pakistani								1	1	2	1		2	3	5
Bangladeshi										1			1		1
Other Asian background										1			1		1
Black or Black British															
Caribbean			1	2	2	2	2	6	6	12	5	15	16	37	53
African					1	1	3		3	5		7	7	13	20
Other Black background			1					1	1	1		1	2	3	5
Chinese, Chinese British or other ethnic group															
Chinese										1			1		1
Other background															
Total			4	3	11	14	20	19	24	52	8	36	67	124	191

Note: Figures include staff on fixed-term contracts, but not staff seconded to the CRE.

Objective 5 – Publishing the results of assessment, consultation and monitoring

- We commissioned consultants to assist us with the consultation process for some of our external strategies, and published the results of the consultations on our website.

Objective 6 – Making sure the public have access to CRE information and services

- Due to internal re-structuring, we were not able to review and revise ‘Aiming High for Equality: A CRE charter’. We aim to complete this work in 2004.
- We continued to publish new guidance on our website.

Objective 7 – Training staff

- We continued to provide training on the Race Relations Act for all staff.
- We continued to analyse the training needs of staff, to identify where further training is necessary.

Objective 8 – Employment duties – monitoring employment

- We continued to monitor staff by ethnicity, gender and disability in the following areas: staff currently working for us; applicants for employment; applicants for training; applicants for promotion; staff receiving training; staff performance appraisals; staff

CRE SENIOR MANAGEMENT
at 31 December 2003

using the grievance procedures; staff subjected to disciplinary action; and staff ending their service with us.

Analysing data collected during the first year of the RES, we noted the following:

- 35% of applications for promotion from White staff were successful, compared with 34% of Asian or Asian British and 24% of Black or Black British;
- there were relatively few applications for employment from applicants of Pakistani and Bangladeshi origin (28 out of 241 applicants of non-White origin);
- success rates for job applications ranged from 12% for Black applications to 21% for Asian; and
- disciplinary action was initiated against eight members of staff, five of whom were of Indian origin.

We are investigating the reasons for these disparities, and whether any changes in policy or practice may be needed.

Next steps

We plan to extend our equalities agenda to include gender, disability, religion and belief, age and sexual orientation. We will continue to analyse any patterns or disparities that emerge in our monitoring data, and take appropriate action where needed.

Training and development

We completed an analysis of our training needs to establish what still needs to be done to enable staff to deliver the business objectives. We plan to complete a skills audit in early 2004, which will complement this work. The results of these initiatives will inform our three-year learning and development strategy.

We also produced a draft three-year human resources strategy, which sets out the improvements we want to see in our human resources capacity and employment practices.

Unfortunately, we did not make progress in the development of our ACTION staff training programme in 2003. This was due to

financial constraints, and the restructuring of our human resources department.

www.cre.gov.uk

With an average of over 30,000 visitors per month, our website continued to be one of our most important communication tools.

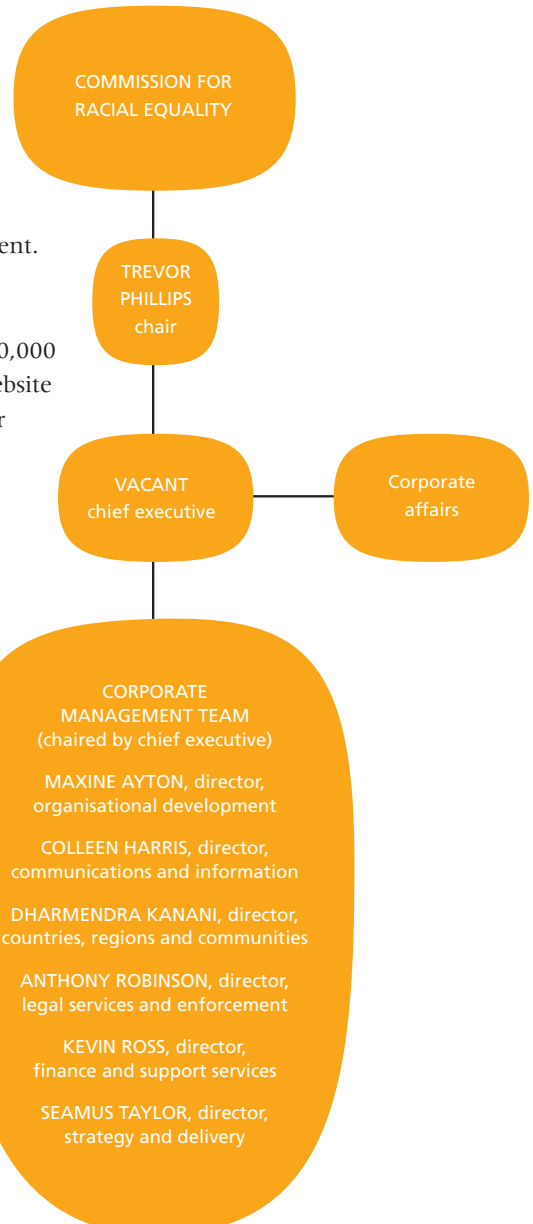
Visitors range from journalists, employers and service providers to community groups, teachers and the general public.

In line with our policy of making more of our publications available electronically, more than 150 reports, consultation papers and other documents can now be downloaded from the site.

Towards the end of the year, the site was ranked sixth in a survey of the usability of 31 government websites commissioned by the Interactive Bureau.

Publications

During 2003, TSO, our distributor, distributed just under 158,000 copies of our publications. Subscriptions to our free, quarterly magazine, *Connections*, rose eight per cent during the year, from 7,567 in December 2002, to 8,180 in December 2003.



MEMBERS OF THE COMMISSION FOR RACIAL EQUALITY

1 JANUARY 2003 – 31 DECEMBER 2003



TREVOR PHILLIPS

CRE chair (March 2003–) After leaving university, Trevor began a career in television, initially as a researcher with London Weekend Television (LWT), before becoming head of current affairs, and a well known face for both LWT and the BBC. He has campaigned on equality issues throughout his adult life, and successfully initiated the Windrush season, which raised the profile of black history. He has combined his media career with voluntary work, has been chair of the Runnymede Trust, and is currently a trustee of several leading charities working to serve ethnic minority communities. He was chair of the London Assembly from May 2000 to February 2003.



BEVERLEY BERNARD

Acting CRE chair (August 2002–March 2003), CRE commissioner and deputy chair (July 2000–March 2003) Beverley has a track record of achievement in establishing and leading voluntary-sector organisations in the UK and in South Africa. She also works as a consultant in the areas of organisation development, personal development, and training. As co-founder and executive director of the Windsor Fellowship (1986–1995), she was responsible for developing a national leadership development programme for black and Asian undergraduates, and the development of a school's mentoring programme. Between 1995 and 1998, she established The Nations Trust, modelled on the UK's Prince's Youth Business Trust. She acted as an adviser to the Kagiso Trust, the largest non-government organisation in southern Africa, and managed the redesign of a training and leadership programme for disadvantaged South African undergraduates. Her public appointments have included membership of the Parole Board for England and Wales, and trusteeship of the Community Development Foundation.



KAY HAMPTON

CRE deputy chair (April 2003–), CRE commissioner for Scotland (April 2002–) Kay is a lecturer in sociology at Glasgow Caledonian University. She is a former research director of the Scottish Ethnic Minorities Research Unit, where she researched and published widely on racism, ethnicity and discrimination. She has also been employed by the University of Durban-Westville, South Africa. She is closely associated with the Scottish voluntary sector, and currently chairs the Community Fund, Scotland Committee. Her appointments have included: chair, Saheliya, Women's Mental Health Project (1999–2000); committee member, SCVO Race Equality Advisory Group (1996–2001); non-executive director, Positive Action in Housing (1999–2001); board member, Meridian, Black and Ethnic Minority Women's Information and Resource Centre (2000–2001); and editorial board member, Scottish Youth Issues Journal (1999–).



SARAH SPENCER

CRE deputy chair (April 2003–), CRE commissioner (April 2002–)

Sarah is Director of Policy Research at the Centre for Migration, Policy and Society, University of Oxford. She is chair of the Equality and Diversity Forum and a visiting professor at the Human Rights Centre, University of Essex. A member of the British Council's Law and Governance Committee, Sarah is also a Fellow of the Royal Society of Arts. She served as a member of the Home Office Human Rights Taskforce (1998–2001), and of the Commission on the Future of Multi-Ethnic Britain (1998–2000). She was a consultant to the Cabinet Office and Home Office on migration policy, and General Secretary of the National Council for Civil Liberties (1985–9). Sarah was also a school governor with the London Borough of Hackney (1981–8). She has published widely on human rights, equality, migration and policing issues.



KHURSHID AHMED

CRE commissioner (April 2002–), acting deputy chair (August 2002–February 2003)

Khurshid is a non-executive director of the Dudley Group of Hospitals NHS Trust. He was previously assistant chief executive and head of the Race Relations and Equal Opportunities Unit at Birmingham City Council. He also served on the official enquiry into the Danall disturbances in Sheffield in 1995/6. He also chairs the National Association of British Pakistanis, the Dudley Race Equality Council, and the Dudley Community (Strategic) Partnership. He is chair of the Dudley North constituency Labour Party.



IAN BARR

CRE commissioner (April 2002–), acting deputy chair (August 2002–February 2003)

Ian is managing director of Astar Management Consultants Ltd, a consultancy that helps organisations to improve their performance by making better use of the diversity of their staff. He was the main board director responsible for human resources at NFC plc (1989–1995), group human resources director at Scholl plc (1995–1998), and personnel director at Chloride Group plc. He also held senior personnel management appointments at British Leyland. He is a member of the CBI East of England Council and of the CBI Equal Opportunities Forum. He was a founding board member and national chair of the employment group of the 'Race for Opportunity' campaign. He is also a trustee and treasurer of the Windsor Fellowship educational charity, which provides personal development programmes to young ethnic minority students.



PROFESSOR JAGDISH SINGH GUNDARA

CRE commissioner (April 2002–) Jagdish is professor of education at the University of London, and holds the UNESCO chair in intercultural studies and teacher education at the Institute of Education. He has been deputy secretary-general of the Indian Ocean International Historical Association; was a founding member of the International Association for Micro-States Studies, and the European Intercultural Parliamentary Group; and has been a director and vice-chairperson of the International Broadcasting Trust. He is a founder and president of the International Association for Intercultural Education, and a trustee and chairman of the Scarman Trust. He received the Bhai Vir Singh International Award from the Dalai Lama for his work in education in socially diverse societies. The Indian Council of World Affairs has presented him with an award for his contribution to intercultural and international understanding. He is also a Fellow of the Royal Society of Arts. He has written a number of publications and articles on social, cultural and educational issues.



KAMALJEET JANDU

CRE commissioner (June 2000–) Kamaljeet is the national diversity manager for Ford Motor Company Ltd, responsible for organisational culture change and setting up a network of diversity councils in the company. He was formerly policy development officer with the Trades Union Congress (TUC), where he was responsible for race equality and employment policy, trade union support for the Stephen Lawrence Family Campaign, and setting up a task group on institutional racism. An economist by training, he has written numerous publications on diversity and race. He was the European TUC representative on the European Commission Economic and Social Affairs Committee working on the Equal Treatment Directive, and was on the advisory panel to the Fourth National Survey on Ethnic Minorities. He was a member of the Public Duty Committee responsible for the Race Relations (Amendment) Act 2000.



DIGBY JONES

CRE commissioner (July 2003–) Digby is the director-general of the CBI. He is the senior non-executive director of iSOFT plc, a member of the Advisory Board of the Commonwealth Education Fund, a member of the National Learning and Skills Council, and a vice-president of UNICEF. Previously his career was in law, specialising in corporate affairs.



GLORIA MILLS

CRE commissioner (April 2002–) Gloria is a member of the TUC General Council and Executive and serves on the Home Office Race Relations Forum. She also sits on the European TUC and Women's Committee, the Employment Appeals Tribunal, and chairs the Race Relations Committee. Her early career was in law publishing. She held various elected positions in the print unions NATSOPA and SOGAT. She also worked for the National Union of Public Employees (NUPE) as a regional officer responsible for industrial relations, collective bargaining, organisation and representation. In 1987, she was promoted to senior national officer. She pioneered equal rights campaigns covering women, race, disability, lesbian and gay rights, black workers, immigration and asylum, and the EC Article 13 directives, and played a key role in developing and implementing the Stephen Lawrence Action Plan and the Race Relations (Amendment) Act 2000. In 1993, she was appointed director of equal opportunities at UNISON, and managed the union's strategic policies, programmes and campaigns on equal opportunities. She has written articles and publications on equality, and is a specialist practitioner in race, employment and equal pay. She is a member of the Labour Party National Policy Forum, and was awarded the MBE in 1999 for services to the trade union movement.



PATRICK PASSLEY

CRE commissioner (April 1999–March 2003) Council member, The Prince's Trust; council member, Sport England Equity Sub-group; member, Race Equality Consultation Group, Football Association; member, Adult Learning Committee, National Learning and Skills Council; council member, London East Learning and Skills Council; official CRE observer, Disability Rights Commission; diversity consultant; fundraising consultant; fellow, Royal Society of Arts; lecturer, external law degree, University of London; lecturer, Barnet College; marketing manager, City Awards Academy; project support manager, City Awards Academy; managing director, Paralegal Charity; secretary, African and Caribbean Finance Forum; critical friend, Duke of Edinburgh's Award Scheme; member, management committee, Joint Council of Anglo Caribbean Churches; super heavyweight boxing representative of Great Britain, 1990 Commonwealth Games; national super heavyweight ABA champion (1989); national schools boxing champion 1982.



SHUSHILA PATEL

CRE commissioner (April 1999–March 2003) Independent consultant on equal opportunities, health, and race and organisation development; member, Home Office Race Relations Panel (March 1998–November 2001); non-executive director, Redbridge and Waltham Forest Health Authority (April 1998–March 2002); trustee, Stephen Lawrence Trust (2002–); chair, Redbridge Refugee Forum (1997–9) and now deputy chair; community worker, Asian Women’s Association, Ilford (1984); over 18 years’ experience in the voluntary and local government sectors, and over 10 years’ experience in the health service; deputy director, NHS Ethnic Health Unit (1994–7); senior executive officer, Department of Health (1993–4); senior equal opportunities adviser, Royal London Hospital (1990–3); project manager, NAHA (now NHS Confederation; 1987–90). Established a DoH-funded project on ethnic minority health, which produced Action not Words: A strategy to improve health services for black and minority ethnic groups.



CHERRY SHORT

CRE commissioner for Wales (April 1998–March 2003; May 2003–) Cherry is a councillor on Cardiff County Council, and a national member of the Home Office Race, Education and Employment Forum. She is also a member of the government task force responsible for implementing Welfare to Work and New Deal programmes in Wales. She is involved with several local and national committees and organisations. She chairs the Cardiff Council Gypsy Sites Committee and is a member of the Cardiff County Equal Opportunities Committee. She is also a management committee member of Children in Wales, race advisor to the University of Wales Cardiff Social Work Diploma Programme, and a former chair of the Cardiff and the Vale Racial Equality Council. She is co-author of Working with Difference (CCETSW, 1997).



GITA SOOTARSING

CRE commissioner (July 1999–June 2003) Independent member, Central Police Training and Development Authority; winner, first Windrush High Flyer Award, Small Business High Flyer category (1999); member, London Central Region Panel of Employment Tribunals for England and Wales; vice-chair, Essex Police Authority; former executive director, Ionian Management Consultants; former member, Race Relations Employment Advisory Group (DfEE Ministerial Group); previous career with the Bank of England.

COMMITTEES OF THE COMMISSION FOR RACIAL EQUALITY (AT 31 DECEMBER 2003)

There are currently seven committees and three advisory boards, covering all aspects of our work and how we govern ourselves.

AUDIT

Khurshid Ahmed (chair)

COMMUNITIES AND PARTNERSHIPS

Trevor Phillips (chair)

Kay Hampton
Khurshid Ahmed
Gloria Mills

FINANCE AND MODERNISATION

Trevor Phillips (chair)

Kay Hampton
Sarah Spencer

LEGAL AFFAIRS

Trevor Phillips (chair)

Sarah Spencer
Kay Hampton
Gloria Mills
Kamaljeet Jandu

PRIVATE SECTOR

Ian Barr (chair)

Sarah Spencer
Gloria Mills

RESEARCH POLICY AND PUBLICATIONS

Trevor Phillips (chair)

Jagdish Singh Gundara
Kay Hampton
Sarah Spencer
Cherry Short

STRATEGY AND DELIVERY

Sarah Spencer (chair)

Kay Hampton
Kamaljeet Jandu
Jagdish Singh Gundara

SCOTLAND ADVISORY BOARD

Kay Hampton (chair)

WALES ADVISORY BOARD

Cherry Short (chair)

LONDON AND SOUTH ADVISORY BOARD

Kamaljeet Jandu (chair)

FINANCIAL ACCOUNTS

1 APRIL 2003 – 31 MARCH 2004

Summary provisional income and expenditure account for the year ended 31 March 2004

	2003/4 provisional unaudited ¹ £	2002/3 audited £
INCOME		
Grant in aid received – revenue ²	19,709,735	24,252,000
Other income	590,689	759,820
	20,300,424	25,011,820
EXPENDITURE		
Staff costs ³	8,295,843	8,364,643
Depreciation and cost of capital	262,291	192,343
Stock write-offs	0	355,891
Provisions and dilapidations	1,114,538	4,900,000
Property costs	1,732,477	2,484,645
Office costs	526,147	1,542,800
Audit fees	45,181	35,500
Legal services	267,751	809,195
Travel, recruitment, and staff training	388,228	774,745
Research and library services	50,462	317,235
REC grants	4,365,870	4,418,407
Complainant aid	250,000	424,100
Publicity and information services	184,830	546,673
Conferences, seminars and meetings	238,382	127,850
Miscellaneous	6,775	39,219
Computer services	432,156	464,553
	18,160,931	25,797,799
Surplus on operating activities⁴	2,139,494	(785,979)

Summary provisional balance sheet for the year ended 31 March 2004

	2003/4 provisional unaudited £	2002/3 audited £
Fixed assets	312,684	255,795
Current assets	3,828,889	5,033,615
Creditors: amounts falling due within one year	(2,541,313)	(6,058,692)
Net current liabilities/assets	1,287,576	(1,025,077)
Creditors: amounts falling due after one year	(693,775)	(177,971)
Total net assets	906,486	(947,254)
Capital and reserves	906,484	(947,252)

Notes

1. The financial results for 2003/4 are provisional and subject to audit by the Comptroller and Auditor General. This is because the CRE's annual report is based on a January-to-December reporting period, whereas the financial results span the year from April 2003 to March 2004. It is therefore not possible to prepare, finalise, and audit the financial results in line with the timetable for completing and publishing the CRE's annual report.
2. Not including grant in aid received – capital transferred to government grant reserve: £270,000.
3. Including Commission members' emoluments.
4. The 2003/4 unaudited results indicate a surplus of £2.14m in the income and expenditure account. A significant part of this surplus is to be used to offset the previous year's deficit, and the rest will be used to meet future dilapidation and redundancy costs, which at the time of producing this report were difficult to determine.

SECTION 66 FINANCIAL ASSISTANCE 2003/4

During 2003/4, the CRE provided financial assistance to three organisations under section 66 of the Race Relations Act.

RECIPIENT	FROM CRE (£)
Avon and Bristol Law Centre	40,000
North Lambeth Law Centre	150,000
Northern Complainant Aid	60,000
Total	250,000

SECTION 44 FINANCIAL ASSISTANCE, 2003/4

The CRE provided financial assistance under section 44 of the Race Relations Act during 2003/4 to the organisations listed below. Most of the organisations funded were racial equality councils, which also receive funding from local authorities to cover project aid and administrative costs.

RECIPIENT	FROM CRE (£)	RECIPIENT	FROM CRE (£)
Aylesbury	49,301	Greenwich	89,979
Ayrshire REP	10,000	Haringey	81,110
Barking and Dagenham	12,999	Harrow	76,065
Bath and NE Somerset	29,106	Herefordshire	25,020
Bedford	30,080	Highland Alliance for Racial Equality	6,667
Bexley	12,999	Hillingdon	31,718
Birmingham	35,000	Hounslow	71,967
Blackburn	48,070	Ipswich Borough Council	49,301
Bolton	123,731	Kingston	69,381
Bradford	24,715	Kirklees	54,795
Bristol	92,112	Leeds	40,056
Bromley	35,178	Leicester	74,761
Bury	29,106	Lincolnshire	31,718
Cardiff and Vale (Race Equality First)	50,756	Liverpool Law Centre	6,179
Central Scotland	76,776	Manchester	53,217
Charnwood	74,016	Medway	48,884
Cheshire	59,193	Merton	31,718
Coventry	2,616	Milton Keynes	38,498
Croydon REP	30,520	Monitoring Group	19,999
Derby	50,756	Newham	62,329
Devon and Exeter	35,589	Norfolk and Norwich	75,493
Dorset	11,698	North East Diversity (Tyne and Wear)	97,420
Dudley	46,818	North Staffordshire	79,862
Ealing	59,736	North Wales REN	10,000
East Lancashire Together	20,000	North West Kent (Dartford)	46,389
East Staffordshire	50,756	Nottingham	80,746
Enfield	96,151	Oldham	30,080
Essex	29,106	Oxfordshire	29,106
Ethnic Minorities Law Centre	30,000	Peterborough	74,016
Fife CAR	25,000	Plymouth and District	37,674
Gloucestershire	38,000	Preston and West Lancashire	108,731
Grampian	85,219	Race Equality West Midlands	20,000

RECIPIENT	FROM CRE (£)	RECIPIENT	FROM CRE (£)
Reading	64,301	Telford and Shropshire	32,500
Redbridge	68,451	Tower Hamlets	50,808
Rochdale	49,301	Valleys	38,000
Rotherham	29,106	Walsall	7,277
Rugby	30,000	Waltham Forest	79,155
Sandwell Race Partnership	27,721	Warwick	49,301
Sheffield	44,179	Watford	33,282
Slough	49,301	Wellingborough District	88,197
Somerset	15,281	West of Scotland	66,360
South East Wales	24,256	Wiltshire	30,056
Southwark	43,102	Wolverhampton	17,043
Sutton	30,080	Worcester	55,840
Swansea Bay	39,011	Wycombe and District	32,345
Swindon	50,756	York	30,080
Tameside	132,798	TOTAL	4,365,870



CRE OFFICES

HEAD OFFICE

St Dunstan's House
201-211 Borough High Street
London
SE1 1GZ

BIRMINGHAM

Lancaster House (3rd floor)
67 Newhall Street
Birmingham
B3 1NA
☎ 0121 710 3000

LEEDS

Yorkshire Bank Chambers
(1st floor)
Infirmary Street
Leeds
LS1 2JP
☎ 0113 389 3600

MANCHESTER

Maybrook House (5th floor)
40 Blackfriars Street
Manchester
M3 2EG
☎ 0161 835 5500

SCOTLAND

The Tun
12 Jackson's Entry
off Holyrood Road
Edinburgh
EH8 8PJ
☎ 0131 524 2000

WALES

Capital Tower (3rd floor)
Greyfriars Road
Cardiff
CF10 3AG
☎ 029 2072 9200

The Commission for Racial Equality was set up by the Race Relations Act 1976. It has three main duties.

- To work towards the elimination of racial discrimination.
- To promote equality of opportunity and good relations between people of different racial groups.
- To keep the Act under review and to make proposals to the Secretary of State for amending it.

The Race Relations (Amendment) Act 2000 introduced far-reaching changes to the 1976 Act.

- It now covers all public functions.
- It gives public authorities a statutory duty to promote race equality.
- It gives the CRE a new power to enforce compliance.

© Commission for Racial Equality
St Dunstan's House
201-211 Borough High Street
London SE1 1GZ

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