

2004

ANNUAL REPORT OF THE

COMMISSION FOR RACIAL EQUALITY

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**To the Right Honourable Charles Clarke MP,
Secretary of State for the Home Department**

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FOREWORD

By Trevor Phillips, chair

The issues which defined the work of the Commission for Racial Equality were rarely out of the public eye in 2004. Questions about race and identity were on everyone's lips; the words 'race row' all too frequently on newspaper front pages.

But away from all this, behind the scenes in Borough High Street, we were making a considerable effort to get in shape to meet the growing challenges to racial equality and integration in the UK and across Europe. Commissioners and staff were rightly preoccupied with putting our own house in order, improving our finance and IT systems to enable us to carry out our duties more effectively.

At the same time as modernising ourselves, we were campaigning for Britain's anti-discrimination laws to be updated. We and our allies won a major victory in September, when the prime minister promised to introduce legislation to rule out religious discrimination in the provision of goods and services. We had spent much of the year highlighting the perverse situation whereby it remained perfectly acceptable for shops, pubs, hotels and restaurants to refuse to serve someone on the grounds of their religion.

We also continued to support those already protected by the Race Relations Act. Last year thousands of victims of racial discrimination and harassment were helped by the CRE. In 2004, the CRE's legal staff dealt with a total of 5,443 enquiries. Most of these simply needed advice; but 567 involved significant professional services from our lawyers, with satisfactory outcomes in many of them. As the majority of cases were settled out of court, the amount of taxpayers' money earmarked for expensive lawyers was kept to a minimum. In addition to our own directly provided services, our funding of local complainant-aid bodies to the tune of £1.4 million enabled them to help many more complainants.

Securing redress for individuals whose lives are blighted by racism is part of the CRE's core business. So is providing guidance to employers and service providers on how to ensure discrimination doesn't happen in the first place. Last summer we began a consultation on our draft code of practice in employment. The code first came into effect in 1984 and in the 20 years since there have been several important amendments to the Race Relations Act, including the introduction of EU legislation on racial equality in the workplace. The new statutory code will affect millions of employees in every sector across Britain, and will be of vital use in reaching the prime minister's goal of eliminating the barriers faced by ethnic minorities in the labour market by 2013.

June saw the launch of the interim report of our formal investigation into the police service of England and Wales. The main finding was that, of the 20 police forces and authorities we scrutinised, 90 per cent did not have an adequate race equality scheme in place. As a result of our subsequent enforcement action, by the end of the year they all had compliant schemes in place, some of which were shining examples of good practice.

At the beginning of April, following two months of consultation, we launched our Gypsies and Travellers strategy. By 2007 we hope to achieve

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measurable improvements for these vulnerable groups across a range of services, including site provision; school attendance and educational attainment; health; employment; and treatment by criminal justice agencies. To inform this work we began a scrutiny exercise in October to establish what local authorities are doing to promote racial equality for Gypsies and Irish Travellers. The evidence will enable us to pinpoint barriers to change as well as good practice that currently exists, and to identify what further guidance is needed.

Ridding the workplace and public services of discrimination is an enormous task, but 2004 also threw up a number of other monumental issues for us to grapple with. The most pressing was the future institutional direction of the CRE and its sister equality organisations. Following our initial rejection of the government's proposals to create a single Commission for Equality and Human Rights (CEHR), we were pleased when they came back from the drawing board in November with a very different proposition. They had taken on board many of our concerns, and gave us an assurance that the CRE would not join the CEHR at the outset, remaining independent until 2009. Certain issues remain outstanding, however, and the CRE intends to work with the Equalities Review, our sister Commissions, and new strands as we move towards a unified legal and institutional framework that can contribute to greater equality across Britain.

Paving the way for change has also been happening at an intellectual as well as an institutional level. We have set ourselves the ambitious goal of changing the way people think about race and racial equality: challenging the perception that the CRE only exists to further the cause of black and brown people; and convincing the general public that racial equality is a mainstream, not marginal, concern.

As a result, the issue that gave the CRE the greatest number of column inches in 2004 was the debate we started about multiculturalism. Our effort to move beyond passive coexistence between ethnic groups was edited down to three words: 'multiculturalism is dead'. Yet this debate, now raging across Europe, has prompted major reassessments by leading thinkers and opinion-formers of issues as diverse as citizenship, 'Britishness', and the place of religion in public life.

Critics say that a journalist like myself should be wise enough to have anticipated that the CRE's words would be misused. But our silence would have left the debate over race and equality in Britain languishing back in the 1970s. In those days, race was regarded as a black and white affair, where problems could be solved by the efforts of people of goodwill. But today, we know that the reality of multi-ethnic, multi-faith Britain is more complex. Silence on key issues is both cowardly and dangerous.

We cannot keep recycling the slogans of the '70s and '80s. When we talk 'racial equality' and 'disadvantage' now, we are not necessarily referring just to the needs of young black men, for example. Rather, we are speaking of the stigmatised eastern European asylum seeker; the Iraqi woman trapped in her own home by stone-throwing yobs; the Gypsies and Travellers who will live

for 12 years less than the rest of us; and Muslims unjustly victimised for atrocities committed by a tiny minority of followers of their faith.

This is the world as it is today. This is the world we are having to confront. In the coming months and years, we will address the real issues being played out in the real world. We hope that many others will join us in our quest to create a new reality: an integrated Britain where we are all equal, and free to be different; where there are good relations between and among communities; and where our origins do not determine our destinies.

A handwritten signature in white ink, appearing to read 'Trevor Phillips', with a horizontal line underneath.

Trevor Phillips

LEGISLATING FOR EQUALITY

We responded to several important legislative proposals in 2004, but perhaps the most significant for us was the plan for a single equality body. This year marked the climax of many years' debate around the creation of such an organisation.

In May the government published a White Paper, *Fairness for All*, outlining its proposals for a Commission for Equality and Human Rights (CEHR) to replace the existing race, disability and sex equality commissions, with additional responsibility for religion or belief, sexual orientation, age and human rights.

Throughout the summer we conducted our widest-ever consultation with a broad range of stakeholders. Their views informed the response we made to government in July, in which we stated that this was the wrong proposal at the wrong time. We were not convinced that the blueprint sketched out in the White Paper would offer more than existing arrangements or work in practice. Indeed, we felt that it could actually weaken the cause of equality overall, and racial equality specifically.

The lack of a single equality act, and the failure to propose the institutional and legislative framework needed to fight discrimination effectively, and promote equality, was a major flaw. We were concerned that our existing law enforcement powers would be weakened, that race could be marginalised and that no commitment was made on resources.

We were also concerned that the process of merging would impinge on our urgent agenda to combat discrimination, reduce racial inequality, blunt the threat of extremism and reverse the tendency towards racial segregation.

In November the government put forward new proposals, which demonstrated that they had gone some way to meeting many of our concerns. Crucially, we were given an assurance that the CRE would not join the CEHR at the outset, and would remain independent until 2009.

We had stated that the CEHR should tackle the persistent, systemic, often hidden causes of inequality in Britain. We were therefore pleased when our chair Trevor Phillips was approached by the government in late 2004 to chair an independent equalities review, which will inform the CEHR's development.

The CEHR should tackle the persistent, often hidden, causes of inequality in Britain

LEGAL PROTECTION FOR RELIGIOUS MINORITIES

The introduction of the Employment Equality (Religion or Belief) Regulations 2003, which extended legislative protection to individuals on the grounds of religion or belief only in the areas of employment and training, led to fresh thinking about how we might address the anomaly under the Race Relations Act. As a result of past case law, the Act only protects some religious groups (that is, Jews and Sikhs), but not others. In the absence of any other institutional arrangements to give effect to the new regulations, we began by seeking counsel's opinion on the extent to which we might have had scope under the Act to represent individuals seeking to bring a claim under the new regulations, and on any obligations that might

be imposed by human rights legislation in this area.

In addition, we argued that new legislation should be introduced to give protection to individuals on the grounds of religion or belief not only in the area of employment, but also in the provision of goods and services.

We also considered that the introduction of new legislation to prohibit the incitement of religious hatred was necessary to protect individuals who were becoming increasingly vulnerable to verbal and racial attack, but who were not also protected by legislation that prohibited incitement to racial hatred, again due to the definition of racial groups. As part of this work, in April we presented a submission to the House of Lords Select Committee on Religious Offences.

Following government commitments given in July to introduce legislation to prohibit incitement to religious hatred, and, later, to extend protection against discrimination on the grounds of religion or belief to the provision of goods, facilities, services and premises, we worked with relevant government departments throughout the rest of the year, to suggest ways in which this legislation might be introduced.

IDENTITY CARDS

In summer 2004 the government announced its intention to introduce a national compulsory identity card scheme and published for consultation a draft bill. We responded to the consultation and gave evidence to the Home Affairs Select Committee.

A national compulsory identity card scheme would not be racially discriminatory in itself, as the scheme would apply equally to everyone. The issue is how it would be operated; whether it would lead to racially discriminatory treatment of ethnic minorities, and hinder the promotion of good race relations.

Evidence from police stop and search statistics and comparative research data suggest that people from ethnic minorities are more likely to be asked to produce an identity card. If this differential treatment were replicated in service provision and recruitment procedures, people from ethnic minorities might well be asked disproportionately more often than others to produce an identity card to prove identity or entitlement to services.

The problem may be compounded if foreign nationals have to be entered in the National Database Register, as suggested in the accompanying consultation document. Service providers and employers, who must carry out eligibility checks based on immigration status, are more likely to make initial decisions on the basis of colour and race, possibly leading to British nationals from ethnic minorities being discriminated against or even denied services.

We recommended the following amendments to the bill:

- a code of practice on the use of identity cards;
- public information on any identity cards scheme;
- an individual right of access to one's own records; and
- independent oversight of the scheme.

THE CLOSURE OF BEHZTI

In December, the playwright Gurpreet Kaur Bhatti received death threats and was forced into hiding after the Birmingham Rep had to close down prematurely her play, *Behzti* ('Dishonour'). Protesters claiming that the play insulted their religion by showing scenes of violence and rape in a gurdwara (Sikh temple) had stormed the theatre, causing thousands of pounds worth of damage, and threatening the safety of staff and theatregoers alike.

The controversy took place amid much debate in the media over the government's proposal to outlaw acts of incitement to religious hatred. We believe the government was right to propose this legislation, and we believe it must be constructed in such a way as to protect a person who might be the object of someone else's hatred. It should not address matters of belief.

Writing in *The Mail* on Sunday after the play's closure, our chair Trevor Phillips said: 'Everyone has a right to protest against a play, book, article or speech which offends their sensitivities. But no-one should have the right to stop Ms Bhatti's play appearing in the form that she wants. It should not matter that she has caused hurt to some devout members of her own community. That is unfortunate, but it is not a crime. No-one should invite her to change her message in order to keep the peace.'

Where freedom and historic cultures collide there can be no question that in Britain, it is freedom which must prevail... The real dishonour here lies with those who would stand by and see that right taken away from the British people.'

Local authorities now have a duty to protect Gypsies and Travellers from eviction on council sites

GYPSY AND TRAVELLER ACCOMMODATION

During 2004 we worked to secure adequate accommodation for Gypsies and Travellers. The main issues were: a major shortage of public sites; lack of protection from eviction; lack of security of tenure on public sites; and difficulties in getting planning permission for private sites. The situation was made worse by the absence of data on the accommodation needs of Gypsies and Travellers (even though it is mandatory to conduct housing needs assessments).

We worked with the Office of the Deputy Prime Minister (ODPM) on its policy review, provided evidence to the ODPM select committee's Gypsy and Traveller inquiry, responded to government consultations on policy changes, and worked with the Gypsy and Traveller Law Reform Coalition to secure better site provision, via amendments to the Housing Bill (which became the Housing Act 2004). The amendments related to obligations for local authorities to assess accommodation needs and make appropriate provision, as needed, and provide protection from eviction on local authority sites.

Our clauses, although supported, were not accepted, but government amendments were subsequently introduced, giving local authorities a duty to conduct a needs assessment, and giving Gypsies and Travellers protection from eviction on all local authority sites. Following our advice, the application of the disabled facilities grant to Gypsy sites was extended. Previously it was intended for houses and was not given to anyone living in caravans.

Where legislation has emerged that may affect Gypsies and Travellers, we have also achieved changes. We agreed that a new bill on anti-social behaviour would include a requirement for police to consult local authorities on whether transit site accommodation was available, before using their eviction powers. In the Planning and Compulsory Purchase Bill, we secured the introduction of regulations alongside the new temporary stop notice provisions, to make sure they do not disproportionately affect Gypsies and Travellers.

A NEW BROADCASTING CODE

We responded to the consultation on the new code proposed by the Office of Communications (Ofcom). Ofcom was established at the end of 2003 to replace the bodies regulating the broadcasting industry, alongside the BBC's board of governors. Ofcom proposed to exercise its responsibilities under the Communications Act 2003 and the Broadcasting Act 1996 by issuing a single broadcasting code to replace in part or whole six previous codes drawn up by its predecessor bodies.

Unlike previous codes, the proposed code made no specific reference to the need for broadcasters to avoid causing racial and related offences (such as offences to religious sensibility) in programming, referring instead simply to 'discriminatory treatment or language'. The explicit reference in the earlier codes was introduced in response to our concern that authorities' ability to act over racial and related areas of offence should be made clear. It is also

important for broadcasters to understand that racial offence, which operates differently in society to matters of 'taste' (it may only be understood and felt by a small number of members of the public), is something they need to give proper attention to.

While we understood that the intention was to reflect the government's move towards a single equality body, this omission could lead to broadcasters not giving adequate consideration to racial matters when vetting their programming output. Not only could this damage race relations, but it could also erode public trust in the regulatory process.

We would have hoped that Ofcom would have provided guidelines for broadcasters on how best to approach the difficult issue of balancing freedom of expression with an awareness of the diverse needs of Britain's communities.

We also expressed our concern that, although reference to race may be included in future 'guidance', this has not yet been written and will not be consulted on.

We recommended that the final code should spell out the areas of offence it will cover, and provide additional guidance on issues pertinent to racial and related offence. We are optimistic that Ofcom will make specific reference to race (and religion) in the final code.

FROM MULTICULTURALISM TO INTEGRATION

During 2004, we built on our work to promote good race relations by creating and contributing to the growing debates around integration and the type of Britain we want to see, where community relations are harmonious and where true equality enables integration.

The challenge of achieving integration is not simply about building cohesion across racial or cultural difference, but about tackling racial inequality, racism and discrimination; better management of tensions; and establishing a foundation of shared values and common citizenship, which can successfully integrate diverse cultural communities.

Integration is not simply about building cohesion across racial or cultural difference, but about tackling racial inequality, racism and discrimination

MULTICULTURALISM, INTEGRATION AND COMMUNITY COHESION

In spring Trevor Phillips, our chair, sparked off a public debate on the meanings of integration, 'Britishness', core values, cohesion and multiculturalism. He argued:

My quarrel is not with those who like diversity. It is with those who want to make a fetish of our historical differences to the point where multiculturalism, as it is practised, becomes ridiculous, or worse still, a dangerous form of benign neglect and exclusion.

We need to be more radical and ambitious, not less. We need to pull the rug from under the extremists and remind people that we are all equally British, regardless of race and religion. Our claim for equality in an integrated society is founded on the certainty of our citizenship - on what we have in common, not our differences.

Since then we have been promoting a broad concept of integration and of an integrated society. Over the last year we have been involved in a number of debates, seminars and discussions both in Britain and abroad looking at how to deal most effectively with the challenges posed by race relations today. Trevor Phillips has written many articles for the national and regional media on the subject and has participated in events organised by Channel 4, *The Economist* and *The Guardian*.

We also held an internal seminar in the summer entitled 'Integration and Integrating Societies', where a number of academics, practitioners and social commentators were invited to discuss the themes of integration and multiculturalism. Their presentations were published in *Connections*, our quarterly magazine.

COMMUNITY COHESION

We worked closely with the Home Office to develop the government's community cohesion and race equality strategy. We submitted a formal response to the *Strength in Diversity* consultation paper and had a number of meetings with officials in the preparation of the strategy. The final document, *Improving Opportunity, Strengthening Society*, was planned for launch on 19 January 2005.

We also sit on the Local Government Association's Community Cohesion Working Group, and have ensured that integration is central to some of the guidance it has developed. We played a key role in producing the

practitioners' guide, which was launched in November, and are currently working on the production of the strategic guide, which is expected to be launched in 2005.

REGIONAL VISITS

As part of our work to promote integration, Trevor Phillips, our chair, visited Edinburgh, Glasgow, Brighton, Birmingham, Manchester, Bradford and Luton during September, October and November. He joined in breaking the first fast of Ramadan with a Muslim family in Tower Hamlets, and took part on several other occasions during Ramadan.

The visits enabled us to discuss issues of integration and good race relations with a broad range of people, and to learn first-hand about the work of innovative local projects. The visits also contributed to and helped to inform the development of our policy.

While on the road, Trevor Phillips visited schools, mentoring schemes, youth and community groups, museums, and support services for various groups, such as asylum seekers and refugees; Asian parents caring for disabled children; parents of 'mixed race' children; and people of all backgrounds looking to start up social and business initiatives. He also met religious leaders, local councillors and newspaper editors.

PROMOTING GOOD RACE RELATIONS

We have been working on formal guidance for public authorities on how they can implement the third part of the duty: to promote good race relations. We set up a steering group of academics and practitioners to consider what this guidance should contain, and are now in the process of developing the final guidance itself. This will provide practical solutions to the everyday problems of implementing integration policies.

ASYLUM SEEKERS AND REFUGEES

Over the course of 2004 we identified the following outcomes for our work on asylum seekers and refugees, after consultation with statutory and voluntary sector organisations:

- informed attitudes;
- absence of tension;
- access to services; and
- active integration.

The outcomes have also been informed by three pieces of research, which we commissioned as part of our Asylum Attitudes Initiative: a literature review, qualitative and survey work, and an analysis of the most effective communication methods in changing public attitudes. The focus was on informing and changing the public debate, and on contributing to positive attitudes. To build on this work we have developed a framework for action, based on our strategy for newcomers.

We continued to participate in a number of forums, including the National Refugee Integration Forum, the Greater London Authority (GLA)

YOUNGOV SURVEY ON INTEGRATION IN BRITAIN

In June we commissioned YouGov to conduct a survey to test a number of current issues concerned with ethnic and religious differences. YouGov questioned 2,871 people, and the results were published in July. The findings suggest that racial barriers have to some extent come down, but integration is far from complete. The main findings showed that:

- Most white people (94%) have few or no ethnic minority friends.
- Nearly half (47%) of non-white people say most or all of their close friends are white.
- Older people from ethnic minorities are more likely to integrate, with 58% of over-50s having mainly or entirely white friends, compared to 36% among the under-30s.
- Younger white people (43%) mix more than the older population, who are more likely to have white-only friends (60%).
- 70% of white people and almost as many non-white people (65%) agree that ethnic minority Britons too often live apart from the rest of society.
- Big majorities of both white and non-white people back the idea of taking steps to bring communities closer together.



forum on refugees, asylum seekers and community safety, and the Immigration and Nationality (IND) User Panel.

We also responded to the consultation on the national refugee integration strategy, *Integration Matters*. We raised concerns that the strategy should have a broader remit; that public authorities should ensure newcomers are included in the three-year review of their race equality schemes; that the strategy is properly joined-up and well-resourced; and that effective monitoring and evaluation (especially in relation to the race equality duty) takes place.

SAFE COMMUNITIES INITIATIVE

The aim of the Safe Communities Initiative (SCI), launched in March 2003, is to provide information and advice on promoting good community relations, building community cohesion and preventing community conflict as early as possible. It does this by identifying and promoting good practice in the areas of good community relations and conflict resolution.

One of the aims in setting up this initiative was to encourage people to acknowledge, discuss and appreciate their differences, and to prevent relations between communities, and between individuals, from being harmed by ignorance, prejudice or fear.

SCI is led and advised by an independent advisory group chaired by Perry Nove, former Commissioner of the City of London Police. The group's members have expertise and experience in a wide range of fields. Voluntary, faith and governmental organisations and departments are represented on the advisory group.

SCI's work is organised around the following six strategic areas:

Faith communities

During 2004, SCI hosted a meeting with Muslim communities to discuss the effect of faith on race and community relations, and to look at Islamophobia and how incidents are dealt with by official authorities. It was attended by over 70 representatives from a range of community organisations. Discussion also focused on conflicting identities in terms of faith, ethnicity and a sense of 'Britishness'. Participants raised concerns about misconceptions, particularly in the media, regarding Muslim membership of extremist and terrorist groups, and argued for the introduction of legislation to ban incitement to religious hatred in order to provide protection for Muslims similar to that for Jews and Sikhs (see pages 6-7).

SCI also held a meeting in December with Jewish community representatives to explore the causes and consequences of anti-Semitism, and to understand better the overlap between race and faith issues. Participants were concerned by the rise in anti-Semitic incidents reported. Some spoke of the need to develop more positive relations between Jews and Muslims. It was argued that the international political situation in the Middle East was affecting community relations in Britain. There was also debate over whether Jewish people wish to be regarded as an ethnic or religious group.

RACE IN THE MEDIA

The Race in the Media Awards (RIMA) were relaunched in July at a special event held at the Kensington Roof Gardens in central London, in advance of the 12th ceremony in 2005. The awards' new logo was unveiled, and over 200 guests from all parts of the media attended. RIMA was relaunched in order to ensure it remained alert to questions and concerns emerging from world events and from the experiences of new generations of citizens. Its aims remain the same however: to recognise and celebrate responsible media coverage of race issues, and to help the media represent the realities of an increasingly diverse country.

Performers included the Spanish flamenco guitarist Mario Basileisco and Four Kornerz, a group of four British/Nigerian brothers, plus speeches were made by Navdip Dhariwal, BBC South Asia correspondent, and Trevor Phillips, our chair. The highlight of the evening for many was the performance by impressionist and satirist Rory Bremner.

Trevor Phillips and attendees from our youth cohesion conference, held at St Mary's Stadium, Southampton, in November.



Young people

Over the last year SCI held four events to examine and explore the effectiveness of different methods of intervening where young people were involved in community conflict across Britain. Young people's views were crucial in identifying best practice and in determining areas where there was no provision. The events consisted of a youth conflict policy assessment seminar in January, and three youth cohesion conferences: in London and Birmingham in March, and Southampton in November. SCI reported on the feedback from the young people to its steering group, and was able to make recommendations to statutory agencies and those involved in youth work in its Five Cities project (see page 14).

Gypsies and Travellers

SCI has identified issues relating to Gypsies and Travellers as a priority in Wrexham and has developed close contact with relevant agencies and members of the Gypsy and Traveller communities there. Further to this work, SCI has become involved in situations across the UK where tensions have emerged between the Gypsy and Traveller community and the settled community. SCI has provided advice and assistance in a number of incidents across the country, including Bulkington Fields in Nuneaton and the Tolney Lane area in Newark, Nottinghamshire, as well as in Lewes, Sussex, following the burning of a Gypsy caravan effigy by the Firlie Bonfire Society in 2003.

Asylum and immigration

SCI continued to develop its work with asylum seekers and refugees' groups and support agencies, focusing on asylum and immigration issues in terms of conflict prevention and resolution. SCI was invited to broker discussions in areas where there had been disturbances between asylum seekers and the settled community, or where tensions had increased.

SOUTHAMPTON YOUTH COHESION CONFERENCE

In June, the Safe Communities Initiative (SCI) was alerted to tensions in Southampton between young people from Sikh, Kurdish, Pakistani, Somali and white British communities, as well as refugees and asylum seekers. In particular, gang violence and territorialism were reported to be increasing, with a number of violent incidents.

SCI held a series of consultations with stakeholders in the city. Young people spoke about the development of gangs, and mistrust of the police, the difficulties of integration, racism, and a fear of crossing geographical boundaries in Southampton.

SCI and local partners held a conference for young people on 9 November, which looked at best practice in promoting good community relations, and how to raise awareness of the causes of conflict locally and nationally. SCI produced a summary report, which included an evaluation of the conference and feedback from participants. Comments included the proposal that 'schools and youth clubs from different areas could visit each other... so that we [young people] can have contact with young people from other cultures', and that 'the police could build further relationships of trust with young people, by visiting schools, youth clubs and talking about the impact of crime.'

The report was fed back to the CRE's senior management team in December, and recommendations were given to SCI steering group members, including the Home Office.

Extremist violence

During 2004, SCI coordinated our work in this area to develop strategies with government agencies and voluntary bodies to deal with conflict as a result of organised racist violence. One particular project was the organisation of a conference planned for March 2005 on defeating racial hatred, to look specifically at how best to use the duty on public authorities under the Race Relations Act to promote good race relations.

Five Cities research project

SCI's Five Cities project looks at five areas of the country with distinctive socio-economic and ethnic constituencies, in order to identify and share good practice in the area of community relations. SCI's five strategic areas (faith communities, young people, Gypsies and Travellers, asylum and immigration, and extremist violence) are explored in greater depth through a geographical focus on these five cities. Our work and our relationships with local organisations enable us to draw parallels with what works in developing good community relations and resolving conflict.

- **Leicester:** During 2004, SCI kept abreast of local community issues in Leicester by meeting local community representatives, and through its membership of the Leicester Multi-Cultural Advisory Group. This group includes representatives from the city council, racial equality council and local police force.
- **Wrexham:** In July 2004, SCI convened a formal agency debrief on the Caia Park disorder of 2003. Key statutory agencies were invited to address the meeting, in order to assess the causes and consequences of the violence that occurred during the two days of disorder. Following this, Wrexham Council held a further debrief and drafted a report with recommendations for community consultation.
- **Glasgow:** SCI has begun a scoping study on conflict prevention and conflict resolution projects in Glasgow. The team has consulted a range of different community and voluntary bodies in the city, as well as public and police authorities. SCI reviewed a new conflict resolution sports project run by Strathclyde police and spoke to refugee community representatives working from Anniesland College. SCI also visited Shawlands and Pollokshields to meet young people from diverse backgrounds to discuss their views on inter-communal relations and life in the area following the murder of Kriss Donald, a white youth.
- **Birmingham:** In December, SCI was invited as an observer to negotiations between the police and Sikh community representatives, following tensions over the staging of the play *Behzti* by the Birmingham Rep Theatre (see page 7). SCI also joined the Midlands Monitoring and Networking Group. This is a



A WAY OF LIFE

We hosted the Manchester premiere of Amma Asante's directorial debut, *A Way of Life*. The film, which is set in a deprived Welsh community and focuses on a teenage single mother's paranoid suspicion of her Turkish neighbour, looks at rural racism and the effects of exclusion, neglect and belonging.

After the film Trevor Phillips, Amma Asante and Mike Emmerich, a trustee of the Heritage Lottery Fund, engaged the audience in a debate on the issues raised by the film.

network of public sector and voluntary sector groups looking at conflict caused by organised racist groups.

■ Tower Hamlets: SCI met key public agencies and voluntary organisations in Tower Hamlets to develop know-how on community cohesion and youth issues.

SCI began developing an integration and mentoring project in partnership with JP Morgan and Tower Hamlets Safer Schools Initiative, which may be piloted in Tower Hamlets during 2005. The aim is to bring together young people from different racial and religious backgrounds.

REGULATING FOR EQUALITY

We are extremely pleased that as a result of our work this year, the promotion of racial equality will now be central to two major government processes: the spending review process for departments and the Cabinet Office review of new legislation. We also strengthened our relationships with public inspectorates to improve their inspection methodologies, and have produced new guidance for public and private employers to help them promote racial equality in their workforces.

MEASURING PERFORMANCE ACROSS WHITEHALL

Every government department must produce a Public Service Agreement (PSA) setting out its objectives and performance targets for a three-year period. The PSA is reviewed and revised as part of the spending review process and therefore has direct links to a department's budget allocation.

Throughout the year we worked with the Treasury and Home Office to get racial equality included in the spending review process, which was announced in July. Previously, only four of the 130 targets within the PSA regime made any reference to ethnic minorities. As a result of our advice and intervention, specific racial equality targets, and a new monitoring and reporting requirement, have been built into the PSAs of relevant departments. They cover the following areas:

- increasing the employment rate of ethnic minorities;
- promoting ethnic diversity in the labour market (with a focus on self-employment);
- educational attainment;
- access to higher education;
- health inequalities;
- confidence in the criminal justice system; and
- housing supply and housing conditions.

The departments responsible for these targets are now publicly accountable for tackling racial inequalities in these areas as a contribution to the government-wide target to 'reduce race inequalities and build community cohesion'.

We will continue to work with government to make sure this commitment is upheld and demonstrable progress is made in achieving improved outcomes for ethnic minorities.

REVIEWING NEW LEGISLATION

Through our work with government, we have also ensured that racial equality measures are built into the Regulatory Impact Assessment (RIA) process, which reviews all new legislation and regulations, and is overseen by the Cabinet Office. Independently, the Cabinet Office decided that the RIA process should incorporate other assessments, starting with race, rural proofing and health.

We worked during the year with the Department for Environment, Food and Rural Affairs (DEFRA) on their consultation on the Gangmaster (Licensing Authority) Regulations. We pointed out that, under the race



PUBLICATIONS

Subscriptions to our free, quarterly magazine **Connections** increased by just over nine per cent to 8,932, compared with 2003.

Our distributor TSO sent out over 67,000 CRE publications, far fewer than last year due to our new policy of providing publications free to download from our website.

As a result of our work, the promotion of racial equality will now be central to two major government processes

equality duty, the policy needed to be assessed for its impact on racial equality. DEFRA has responded with firm action to build racial equality considerations into the final regulations.

THE DUTY TO PROMOTE RACE EQUALITY

Inspection and audit

We remain concerned that authorities can be given an ‘excellent’ rating while having no race equality scheme or policy, or a poor scheme or policy or one which has not been effectively implemented. Although current inspection methodologies include some questions and indicators on racial equality, coverage of this area in individual inspection reports is still patchy.

We have worked closely with the main public inspectorates on organisations’ individual schemes and on their inspection methodologies and frameworks. The individual schemes of the inspectorates have been included in our strategic monitoring and enforcement plan and will be individually assessed in 2005.

We responded in 2004 to several inspectorates’ consultations, including Ofsted, the Audit Commission and the Healthcare Commission, highlighting our concerns. Where appropriate, we will meet individual inspectorates for further discussions.

In the local government sector we worked with the Audit Commission (see also page 19) and the Benefits Fraud Inspectorate (BFI). In January Trevor Phillips, our chair, took part in the launch of the Audit Commission’s report of its national study of how public authorities implement the race equality duty, *Journey to Race Equality*. The report contains significant and positive contributions to the range of good practice tools available to local authorities.

Last year we reported on the BFI’s thematic inspection of racial equality in ten authorities. In 2004 it used the evidence gathered to produce a Race Relations Act update report, which looked at 15 authorities where the BFI had carried out full inspections. The report revealed that only four authorities had assessed the impact of proposed policies and monitored current policies, and that fewer than half had carried out general race awareness training. The BFI made recommendations to the under-performing authorities and monitored their take-up.

Guidance for public authorities

In 2004 we produced four new guides to the race equality duty.

■ Public authorities and partnerships

In July we published *Public Authorities and Partnerships: A guide to the duty to promote race equality*, aimed at public bodies leading or working in partnerships such as local strategic partnerships, crime and disorder, community safety and crime reduction partnerships, or health action zones and education action zones.

We also supported a series of conferences on the race equality duty, aimed at practitioners in the public sector. Six events were held in autumn

2004 covering health and social care, local government, further education, higher education, criminal justice, and central government.

■ *Race equality impact assessment*

Public bodies are required under the race equality duty to assess the impact of proposed policies and services, including consulting stakeholders, before a policy is adopted and implemented. We worked with the Home Office, a cross-Whitehall user group and a wider advisory group to consult on and produce detailed web-based guidance for public authorities on carrying out race equality impact assessments (REIAs).

The REIA website was launched at an event attended by Fiona Mactaggart MP and Trevor Phillips, our chair, and it went live on 8 September.

■ *Good practice databank*

We continued to respond to public authorities' enquiries with advice and guidance. This has enabled us to identify areas of good practice and we are now building a databank of measures to implement the duty. This should be available on our website in 2005.

We have also developed a more systematic approach to monitoring how well public authorities are implementing the race equality duty. We hope to be able to use this next year to identify positive outcomes and good practice across the public sector as well as any poor performance, which could be liable to enforcement action.

■ *Procurement*

In 2003 we published two guides to procurement and racial equality for public authorities. In 2004, we continued to promote these with training sessions and presentations at conferences and seminars.

Enforcement

See page 30 for details of the compliance procedures we have initiated against authorities that have done little to meet the general duty to promote race equality.

Local government

We welcomed significant evidence of positive change in local government over the past year. For the first time, the quality and effectiveness of authorities' race equality schemes is being considered as part of their 'best value' performance plans. Data collected shows that, during 2003/04, 80 per cent of local authorities had proportionately fewer ethnic minority employees compared with the local, economically active population, and that in 71 per cent of authorities the proportion of ethnic minority employees in the top five per cent of earners was lower than the proportion in the workforce as a whole. We are using this information to consider



www.cre.gov.uk

The number of visitors to our website averaged 33,000 per month during 2004, representing an increase of 7.5 per cent compared to 2003.

In September, we launched our new step-by-step guide to carrying out race equality impact assessments. The guide attracted an average of 2,300 visitors per month to our website over the last quarter of 2004, and formed an important part of our efforts to help public authorities to meet the statutory duty to promote race equality.

During the second half of 2004 we began redeveloping our website. The new site will offer visitors an easier, quicker and more convenient way of finding the information they need. It will also fully meet the new government standards for usability and accessibility. We plan to launch the new website in the first half of 2005.

For the first time, the quality and effectiveness of authorities' race equality schemes is being considered as part of their performance plans

potential CRE interventions.

We developed a range of techniques to help local authorities meet their race equality duty, including:

- establishing a peer review project in the Midlands;
- working with a small group of 'pilot' authorities in the north, followed by a conference on the results in September with the regional office of the Local Government Association (LGA); and
- developing our work with networks, including setting up a network for authorities in the southeast, and working with the Association of London Government.

With the other equality commissions and key national bodies, we took part in a working group convened by the LGA to develop an equality challenge for political leaders in local government: the LGA Leadership Challenge. Unfortunately, the project was brought to a halt because of resource limitations, but we are all keen to see if it can be revived in the future.

In the context of the national procurement strategy for local government, we worked with the Audit Commission and the Improvement and Development Agency (IDeA) to develop performance indicators on racial equality, as part of a fuller range of indicators published by the IDeA in December as 'Local Performance Indicators for Procurement'.

Education

We continued to work closely with organisations and agencies, providing advice on numerous initiatives and projects. For example:

- We responded to the consultation on Ofsted's new proposal, *The Future of Inspection*.
- We worked with the Department for Education and Skills (DfES) and the Employers' Organisation to produce a toolkit for local education authorities (LEAs), *Creating a Diverse Workforce*, to help them meet the specific duties for LEAs as employers.
- We began a two-year project with the Equality Challenge Unit on individual project plans in the higher education sector.

Health and social care

At the beginning of the year, Sir Nigel Crisp announced his 10-point plan on leadership for racial equality in the NHS. The plan has given a strong impetus to NHS trusts and primary care trusts (PCTs) to include racial equality as a core feature of a modern NHS.

We produced a joint publication with the Department of Health in July. *The Strategic Health Authority Race Equality Guide* was devised to help strategic health authorities (SHAs) assess and measure progress by NHS trusts and PCTs in meeting the duty to promote race equality in the NHS.

Since the launch of the guide, a number of SHAs have carried out assessments of the NHS trusts and PCTs in their area.

In November, jointly with the newly-established Healthcare

ODPM accepted that it had a responsibility to make partner authorities aware of their obligations under the race equality duty

Commission and the Commission for Social Care Inspection, we hosted a seminar for all inspectorates with a remit for health on their future role in monitoring compliance with the race equality duty. We are drawing up memorandums of understanding with the two commissions, as we did with their predecessors, the Commission for Health Improvement and the Social Services Inspectorate.

Housing

Our main project in 2004 was the revision of the statutory codes of practice in rented and non-rented housing. Since the codes are now more than a decade old, we engaged consultants to produce updated codes for England, Scotland and Wales, for public consultation. We set up advisory groups of stakeholders in each country. Formal consultation is planned for early 2005 and we hope to complete the project by the end of next year.

Housing Market Renewal is the government programme to tackle problems of low demand and abandoned housing in parts of the north and the Midlands. Nine pathfinder projects have been established, most of which involve two local authorities working with other stakeholders on a strategic plan for each housing market as a whole. We were concerned that the programme, initiated by the Office of Deputy Prime Minister (ODPM), did not appear to have taken account of the duty to promote race equality. ODPM had treated the programme as 'ongoing' rather than new and had accordingly not carried out an impact assessment. However, ODPM accepted that it had a responsibility to make partner authorities aware of their obligations under the duty. At the end of the year, we negotiated with ODPM the contents of a note of guidance it was proposing to issue.

Criminal justice

Our work in this sector has continued to focus on promoting racial equality in service delivery and employment.

In policing, the year began with the first part of our formal investigation of racism in the police service. We published an interim report in June. For further information, see page 25.

We continued to support the work being done by the government's Stop and Search Action Team, to ensure that stop and search is used fairly and effectively and to reduce any disproportionality in its use. We are represented on the Team's delivery board.

We met representatives from the new Independent Police Complaints Commission (IPCC) to discuss the development of a protocol to share information and to outline possible areas for future joint working. We are also represented on the IPCC Advisory Group, through which we commented on its draft statutory guidance on the new police complaints system.

Following completion of our formal investigation into the prison service, and the publication of an action plan on racial equality in prisons in December 2003, we have been working with the service to monitor progress.

Two nominated commissioners, Mohammed Aziz and Dexter Hutt, are responsible for overseeing the prison service's implementation of the action plan. Over the last year, they visited establishments across the country and met regularly with prison service senior management to discuss progress and specific aspects of the plan.

We worked closely with Her Majesty's Inspectorate of Prisons on its thematic inspection of race and participated in the inspection of a Young Offenders' Institution. We also established strong links with RESPECT, the support network for ethnic minority prison staff to explore issues affecting ethnic minority staff, and held meetings with the Prison Officers' Association on a memorandum of understanding for tackling discrimination in the prison service.

We continued to work with the Crown Prosecution Service (CPS), following our formal investigation into a branch of the service. Our agreement focuses on employment practices and we receive employment monitoring reports and meet with senior CPS officers on a six-monthly basis. The latest data show continuing and steady improvement in a number of areas, including the number of ethnic minority staff at senior levels; the number of ethnic minority staff appointed; and the rate for completing ethnic monitoring forms.

Over the year, we responded to a number of consultations, including the Northern Ireland Affairs Committee Hate Crime Inquiry; the national Policing Plan 2005-08; and the proposed Policing Performance Assessment Framework (PPAF) measures for 2005/6.

We continued to contribute to the Association of Chief Police Officers' Race and Diversity Business Area; the Home Secretary's Stephen Lawrence Steering Group; Stop and Search Action Team Delivery Board; and the Race Issues Advisory Committee of the National Association for the Care and Resettlement of Offenders. We also strengthened links across the criminal justice system through membership of the Criminal Justice Council and the Youth Justice Board.

We worked with the trilateral Criminal Justice System Race Unit and advised on its development of a racial equality self-audit tool for local criminal justice boards, as well as participating in the root and branch review of the section 95 statistics on race and the criminal justice system.

Our revised employment code will apply to all 1.2 million employers in Britain, and will help to protect all 28 million workers

EMPLOYMENT

Statutory code of practice in employment

In response to the recommendations of the Cabinet Office report on ethnic minorities and the labour market, we continued working to update this key document. Our revised code will apply to all 1.2 million employers in Britain, and will help ensure protection against racial discrimination and promote greater equality of opportunity for the 28 million people currently in work or looking for work.

After working closely with our advisory group, the draft code was launched for full public consultation in May 2004. We received 177 formal

responses ranging from major public and private sector organisations to small firms and individuals. We also held national and regional consultation workshops in England, Scotland and Wales.

Once finalised, the code will be laid in parliament. A series of launch events and sector-specific workshops are planned, to ensure it reaches all employers, regardless of size or sector.

WORKING WITH BUSINESS

- We were involved in the Institute for Public Policy Research race equality and diversity taskforce, which published *The Benefits for Responsible Business*, and we are now focusing on getting the recommendations adopted in the private sector.
- With the CBI we jointly produced a procurement guide, funded by HSBC.
- We worked with DeMontfort University and the East Midlands Development Agency, who are piloting a project to promote diversity by encouraging the development of ethnic minority suppliers. We have observer status on the steering group for this project.

Guidance for smaller businesses

In March we launched our free interactive CD-ROM guide for smaller businesses at the annual Federation of Small Businesses conference in Blackpool. Trevor Phillips, our chair, stressed our desire to help small businesses all over Britain become more competitive and prosperous. He said:

Thousands of public bodies regularly award contracts to small businesses. Now, by law, they have to ensure that their contractors take racial equality seriously. So whether you're a small catering, domestic services or building and maintenance company, getting it right on racial equality really does pay off.

Racial equality and the smaller business – a practical guide covers important aspects of employment and customer service, such as recruitment and complaints, and explains the law on racial discrimination and harassment, with examples from real cases.

Ethnic Minority Employment Task Force

Trevor Phillips is a member of this task force, supported by Brenda Stern, our private sector director. We have continued to fulfil the recommendations made to us by the Cabinet Office report on ethnic minorities and the labour market, which included updating our statutory code of practice in employment. See page 21 for more details.

Mapping the terrain

In partnership with the Policy Studies Institute (PSI), we held three seminars



Our CD-ROM guide for smaller businesses provides practical advice and recommendations on how to adopt effective and appropriate practices in the workplace. During 2004 we had just under 59,000 downloads of the guide from our website.

**Non-white faces
make up less than
1% of positions off
the football pitch,
and less than 2% of
spectators**

on the role of the private sector in employment in 2004. They were well attended and highly successful, and we continue to work with the Institute. The PSI also produced research for us on ethnic minorities in the labour market. We plan to use the results to inform our work in this area, and to help us to respond to the different needs of business.

Investors in People (IIP)

We worked closely with Investors in People on revising the IIP core standard to include equality of opportunity. Following negotiations, we have agreed that provision for equal opportunities will be included when the standard is next updated.

RACIAL EQUALITY IN FOOTBALL

Prompted by concerns about why ethnic minorities continue to be under-represented in the non-playing side of football, in 2003 we commissioned a report from researchers at Leeds Metropolitan University into the extent of racism in football management. We published the results in a report entitled *Racial Equality in Football* in October 2004.

The report revealed that, despite improvements in tackling racism on the terraces, and the presence of large numbers of black players in top clubs, those who run the game are still almost exclusively white. Every member of the board of the Football Association (FA) and the 92-strong FA council is white. Whether in boardrooms, or among management or coaching staff, non-white faces make up less than 1% of positions off the pitch, and less than 2% of spectators. The report also found that 75% of football clubs have informal recruitment practices – that is, if your face fits, you get the job.

Following the report, an action plan was drawn up with the football organisations involved, containing practical measures for all clubs and football organisations, to ensure sustainable and coordinated change over the next two years. We also appointed two special advisors, Paul Elliot and Garth Crooks, to make sure the changes are implemented.

USING OUR LEGAL POWERS

This was the first full year of operation of the legal strategy we established in 2003. The strategy has linked our legal work more closely to our broader strategic priorities. In particular we have targeted the individual assistance work we carry out under section 66 of the Race Relations Act, in order to achieve maximum effect across groups or sectors. In short, our aim is to get more 'bang' for our buck.

Our priorities have been to make effective use of our formal investigation powers, to promote and enforce the race equality duty, and to provide greater support to complainant-aid organisations.

We have improved the quality and extent of the professional services we provide directly to clients. However, we recognise that we need to be proactive in finding significant test cases to litigate. During the year we began meeting our stakeholders to review the legal strategy, and to ensure that we are alerted to appropriate cases that fall within the strategic criteria for assistance under section 66.

LEXCEL ACCREDITATION

In November we became the first non-departmental public body to be awarded the Law Society's quality mark for excellence in the delivery of legal practice, Lexcel. The award is for three years and is then reconfirmed each year, following a maintenance visit by independent assessors. Lexcel is the only specific certification scheme for law firms and legal departments which have been independently assessed.

The nationally recognised award for law firms and legal departments was awarded following a rigorous four-day independent inspection. Trevor Phillips, our chair, paid tribute to the hard work of CRE legal staff and described the award as 'a manifestation of our commitment to people management, and a guarantee that you can be assured of a quality service when dealing with the CRE's legal services and enforcement directorate.'



The CRE's legal team at a ceremony to mark their accreditation by the Law Society.

FORMAL INVESTIGATIONS AND AGREEMENTS

The period covered by this report saw the closure of one formal investigation process, the commencement of another, and continued monitoring of one non-discrimination notice.

Ford Motors PLC

We began a named formal investigation into employment practices at Ford Motors PLC (now Ford Motor Company Limited) in August 2000. The investigation was suspended shortly thereafter on agreed terms, as reported in previous annual reports.

During 2004, Ford made representations to us that they had satisfied the terms on which we had agreed to suspend the investigation. Ford gave us information on a number of changes on internal data gathering, for example

We are the first non-departmental public body to receive the Law Society's quality mark for excellence

on the company's Diversity and Equality Assessment Review (DEAR), dignity at work processes and the results of their consultation with staff. Commissioner Ian Barr, the leading commissioner on this investigation, and CRE officers met frequently with Ford representatives to discuss and assess progress against the terms of suspension and the associated action plan.

On 5 October the CRE's legal affairs committee considered a full report on progress with this investigation and agreed a recommendation to discontinue the (suspended) formal investigation, as long as we continued to work with Ford on an action plan for the next three years. A memorandum of understanding was finalised between us and Ford on 15 November.

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. During 2004, due to concerns that we might not be able to track changes properly through the reports presented to us by the council, and at their invitation, we visited the council's offices in order to inspect documents and check their monitoring data. We are currently analysing this information and hope to verify further information with council officers in 2005.

Police service

Our last annual report stated that we had decided to conduct a general formal investigation into internal matters relating to the police in England and Wales (in Scotland it was decided that a separate independent review of policing would be more appropriate). Mr Justice Calvert-Smith (then Sir David Calvert-Smith QC) was appointed as the leading commissioner. The other commissioners appointed to assist in the investigation were CRE commissioner Professor Jagdish Gundara; the Police Ombudsman for Northern Ireland Nuala O'Loan; and former President of the Black Police Association and holder of the Queen's Police Medal, Ravi Chand.

The nominated commissioners agreed terms of reference, as required under section 49 (3) of the Race Relations Act, for the general formal investigation into the police service in England and Wales. Broadly, the terms cover the following areas:

- the adequacy and effectiveness of the race equality schemes drawn up by police authorities and forces;
- the screening and training of recruits;
- the identification and management of racist behaviour, and the effectiveness of disciplinary and grievance procedures; and
- the role of police inspectorates in assessing how individual forces, and the service as a whole, combat racial discrimination, and meet the race equality duty.

The commissioners were not full-time investigators, but have met often to ensure that the investigation proceeds in line with its terms of reference. They were assisted by a team of staff drawn from various parts of the CRE.



Mr Justice David Calvert-Smith at the launch of the interim findings of the police service formal investigation.

We have continued to offer applicants a full advice and assistance service

The investigation team published interim findings on 14 June 2004. These were based on research into the areas covered by the terms of reference, and on a survey of the race equality schemes of 15 police forces and five police authorities. The team found that 14 of the forces' schemes and all five authority schemes were non-compliant, and referred the cases to the CRE's legal services and enforcement directorate for compliance action.

The investigation team then concentrated on issues raised in the interim report, including the investigation of the new police recruit screening process, training, and the management of racist or potentially discriminatory behaviour. The final report is scheduled for publication in March 2005.

Formal agreements

We continued to monitor our second three-year partnership agreement with the Ministry of Defence (MoD), as reported in 2003. Part of the agreement centres around targets for increasing UK national ethnic minorities within the armed forces. We are aware that the MoD have been struggling to meet these targets, and are working with them to identify the problems they have been encountering.

GYPSY AND TRAVELLER SCRUTINY PROJECT

In April we launched our Gypsies and Travellers strategy. The key priority is to secure enough suitable accommodation for Gypsies and Irish Travellers.

Other areas cover:

- improving education and health for Gypsies and Travellers;
- promoting good race relations through our advice to public bodies, and work with the media;
- taking strategic legal enforcement action, and raising awareness about the law in this area;
- improving ethnic monitoring locally and nationally; and
- including Gypsy and Traveller issues in all areas of our work.

To raise awareness of the law in this area, we co-funded and contributed to a Legal Action Group publication, launched in October, entitled *Gypsy and Traveller Law*. We also established an external Gypsies and Travellers working group for the strategy and helped set up the North of England Network, a network of Gypsies, Travellers and support groups.

On 18 October we launched a scrutiny of the extent to which local authorities are meeting their race equality duty in relation to Gypsies and Irish Travellers. The project was launched after a wide range of stakeholders (Gypsies, Travellers, support groups, politicians, lawyers) expressed their concern about public authority policies and practices. In particular, they highlighted local authorities' approach to planning, site provision and eviction. We also heard from staff in public authorities about the difficult position they find themselves in when trying to balance conflicting policy priorities, often in the face of great pressure from local communities. The project focuses on planning, site provision and eviction and will lead to detailed practical guidance for local authorities.

TABLE 1: APPLICATIONS CONSIDERED, BY REGION AND COUNTRY, 2004

CRE office	EMPLOYMENT		NON-EMPLOYMENT		OUT OF SCOPE		TOTAL	
	Jan – Dec 2003	Jan – Dec 2004	Jan – Dec 2003	Jan – Dec 2004	Jan – Dec 2003	Jan – Dec 2004	Jan – Dec 2003	Jan – Dec 2004
Manchester	19	16	62	47	0	0	81	63
Leeds	36	17	41	40	0	0	77	57
Edinburgh	38	21	39	25	0	2	77	48
Birmingham	81	28	67	26	0	0	148	54
Cardiff	23	15	19	11	0	0	42	26
London and South	289	198	189	109	0	1	478	308
Total	486	295	417	258	0	3	903	556
% of total	54%	53%	46%	46%	0%	1%	100%	100%

There are three elements to the project:

- a call for evidence has been sent out to a wide range of stakeholders, asking for any information relevant to the project;
- a questionnaire about race equality policy and practice, planning, site provision and eviction has been sent to every local authority in England and Wales; and
- nine authorities have been selected for more detailed on-site analysis, with a document analysis and interviews with staff.

The outcome will be a report in 2005, followed by the production of robust guidance for local authorities, to help them meet their statutory racial equality obligations, backed by good practice examples.

TABLE 2: CRE LEGAL COMMITTEE DECISIONS, 2004

	Jan – Dec 2003	Jan – Dec 2004
Full CRE legal representation	28	1
Limited CRE representation	9	3
Full CRE advice and assistance	774	485
Limited CRE advice and assistance	25	12
Representation by trade unions	25	9
Representation by RECs	55	27
Representation by others	26	29
TOTAL	942	566

Note: Where representation or advice and assistance was limited, this was restricted to conciliation. In addition, a total of 31 applications were either out of scope or out of time, and 65 were withdrawn.

ADVICE, ASSISTANCE AND REPRESENTATION

In 2004 we considered 556 applications for assistance (see Table 1). This represents a decrease of 38%, compared with 2003. We have continued to receive more than twice as many applications for assistance from men as women, as Table 3 shows, in line with 2003. Black African applicants generated the largest number of applications for assistance, at 108, followed by Black Caribbean and Indian applicants fairly evenly divided, at 80 and 78 respectively. Requests for assistance from Irish applicants fell sharply from 142 in 2003 to 5 in 2004, a reduction of almost 96%, while the number of Pakistani applicants increased by 28%, as compared with 2003.

Our new legal strategy is now in operation and, as planned, we have continued to offer most applicants a full advice and assistance service, short of representation. We gave advice and assistance to 485 people, with a further 12 receiving advice and assistance limited to conciliation.

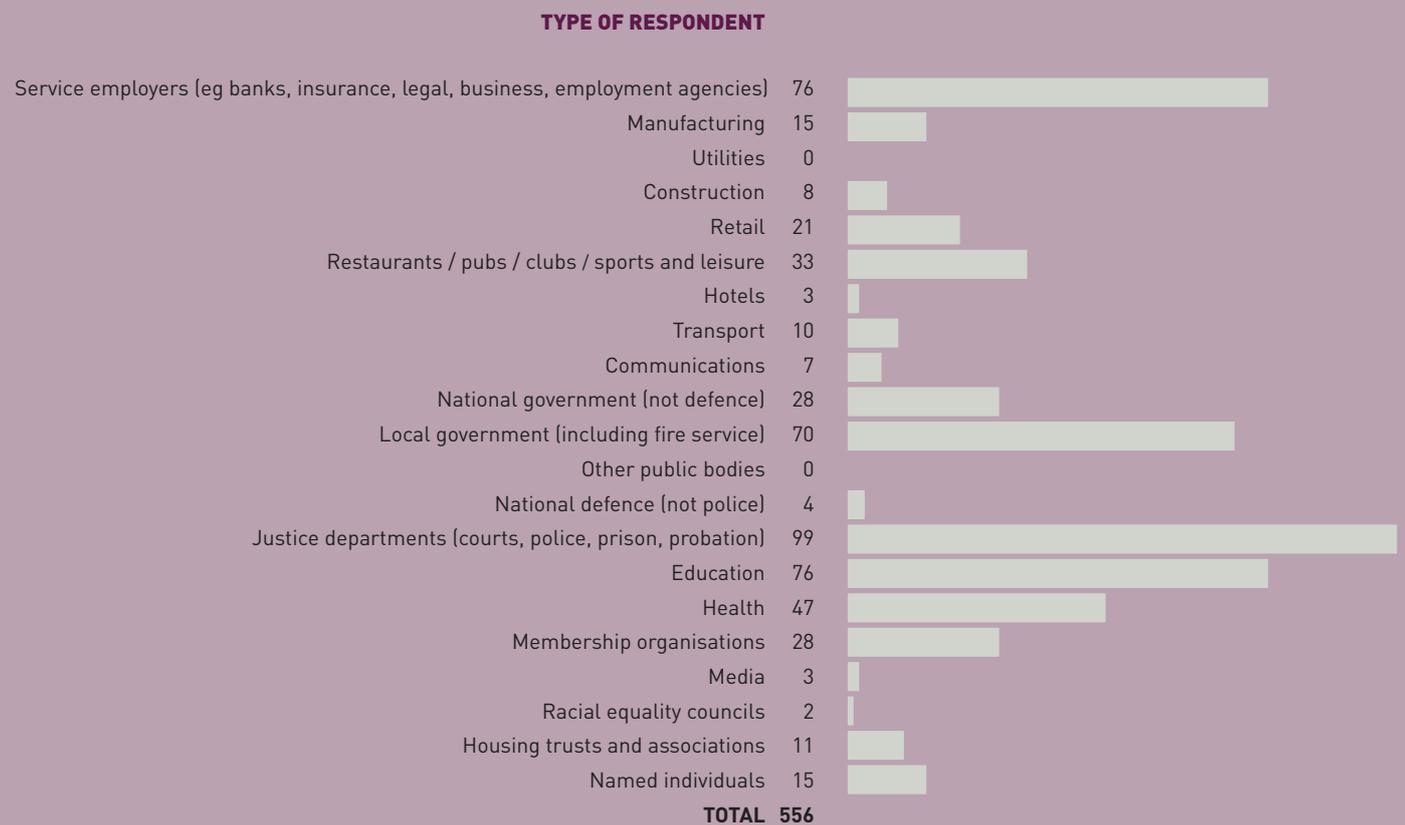
Just over 50% of the applications for assistance we considered in 2004 were related to employment. In terms of breakdown by sector or industrial

TABLE 3: APPLICATIONS CONSIDERED, BY ETHNIC GROUP AND SEX, 2004

	MALE	FEMALE	TOTAL
	Jan – Dec 2004	Jan – Dec 2004	Jan – Dec 2004
White	35	19	54
Mixed	2	1	3
Asian	127	39	166
Black	140	77	217
Chinese	7	4	11
Other	73	32	105
Total	384	172	556

Note: The category 'Other' includes Gypsies and Jews, which are protected groups under the Race Relations Act. We received 28 applications from Gypsies in 2003 and 13 in 2004.

TABLE 4: APPLICATIONS CONSIDERED, BY INDUSTRIAL CLASSIFICATION OF RESPONDENT, 2004



classification, the majority (almost 60%) of applications came from the public sector, with the largest number of applications (99) coming from the courts, police, prison and probation services.

Ten cases were settled by our legal affairs officers in 2004, for a total amount of £18,000. We assisted six cases relating to employment at courts or tribunals; these included two which were settled on terms during litigation, and one which was successful at hearing. One non-employment case was dismissed after hearing.

ESTABLISHING JURISDICTION Saggar v Ministry of Defence

We supported this case at the Employment Appeals Tribunal for the purpose of determining the important jurisdictional question of whether an employment tribunal sitting in England could determine a claim of racial discrimination which is said to have been committed abroad. The EAT held that the test is whether, by reference to the period of time when the discrimination occurred, the claimant did her or his work wholly abroad. It also decided that the de minimis principle applies so that very brief or minimal time spent in England during the relevant period does not establish jurisdiction to hear such claims. The case is being appealed to the Court of Appeal.

CASE LAW

Under the Race Relations Act (RRA) we have a duty to monitor and review the way the Act is working. Two significant cases are summarised below.

■ *Immigration Officer at Prague Airport ex parte European Roma Rights Centre*
The appellants in this case sought a declaration from the court that the procedures used by British immigration officers when vetting applicants for entry to the UK were discriminatory against Roma. They claimed that immigration officers subjected Roma to lengthier and intrusive questioning, and rejected more Roma applications as compared with non-Roma Czech Nationals.

Immigration officers are subject to section 19B of the RRA, which makes it unlawful for a public authority to discriminate in carrying out its functions. Section 19D provides an exemption to section 19B, which means it is not unlawful for a minister of the crown, or any other person acting in accordance with a 'relevant authorisation', to discriminate on grounds of nationality, ethnic or national origins.

The House of Lords determined that there was no relevant authorisation

in place that allowed lawful discrimination, and then had to decide if the immigration officers acted unlawfully. It rejected the Court of Appeal's decision that, although the officers' actions amounted to unlawful direct discrimination, this was justified on non-racial grounds; namely to prevent potential asylum seekers entering the UK. The Lords noted the distinction between indirect discrimination, which allows for objective justification, and direct discrimination, which makes no such provision.

Baroness Hale, who gave the main judgment on the discrimination issue, considered that the immigration officers applied irrelevant considerations to their decisions about which citizens of the Czech Republic should be granted entry to the UK. They applied a stereotype – Roma travellers are more likely to be covert asylum seekers – which defeated the 'object of the legislation', which is to treat people as individuals, rather than according to their group identity.

This case makes it clear that immigration functions could be unlawful under the RRA, if done without relevant authorisation and in a discriminatory manner. Further, it reiterated the legal position that objective justification is not a defence to direct discrimination.

■ *BT Plc v Reid*

Mr Reid, who is of African-Caribbean descent, worked with a white man, Mr Edwards. They had a number of disputes, and in one Mr Edwards said in a threatening manner to Mr Reid: 'I will get someone to put you back in your cage'. Mr Reid was upset about this and left the building. Disciplinary proceedings were brought against Mr Reid, who in turn brought an internal grievance against Mr Edwards, complaining of racial harassment. The grievance was not upheld, Mr Reid was transferred to another location, and Mr Edwards was promoted.

The employment tribunal held that Mr Reid had been discriminated against by Mr Edwards, and it awarded him a further sum by way of aggravated damages on the grounds that Mr Edwards had not been punished but promoted. BT appealed to the Employment Appeals Tribunal arguing that the sum awarded to Mr Reid (£6,000) was excessive and that it was not an appropriate case for awarding aggravated damages (of £2,000). The EAT dismissed the appeal.

The Court of Appeal held that the employment tribunal was right to take into account that the applicant had been subjected to a disciplinary investigation, transferred to another location, and that he had to wait a long time for his grievance to be dealt with. Even though there was no finding of discrimination arising from these factors, if they occurred as consequences of the act of discrimination, they were relevant in establishing the extent of injury to the applicant's feelings.

The employment tribunal did not err in awarding the applicant a sum additional to injury to feelings in respect of aggravated damages. The tribunal was entitled to take into account that the transgressor remained in post without punishment, and was then promoted, even though the charges

LEGAL ACTION BY THE CRE

In 2004, we received 76 complaints, compared with just five in 2003. The vast majority of complaints (60) concerned advertisements, while eight involved signs saying 'No Travellers', and eight related to allegations of people being pressured or instructed to discriminate.

The CRE has the power to take action in cases alleging pressure or instructions to discriminate on racial grounds (sections 30 and 31 of the Race Relations Act), and in cases involving discriminatory advertisements (section 29 of the Act).

against him had not been determined. Although there is no principle that an employer cannot promote an employee while disciplinary proceedings are under way, depending on the case, it can be a material factor which demonstrates the high-handedness of an employer.

ENFORCEMENT AND THE DUTY TO PROMOTE RACE EQUALITY

The race equality duty

Section 71 (1) of the Race Relations Act imposes a statutory duty on listed public authorities to eliminate unlawful racial discrimination and to promote equality of opportunity and good race relations. This duty is enforceable in the courts only by judicial review. Alternatively, the CRE can include compliance with this duty in any formal investigations where listed authorities are being investigated.

So far there have been no judgments in relation to this duty, and we have been actively seeking the right case in this area. We have been hampered by the time limits for bringing judicial review, since we frequently receive complaints about possible breaches of the duty too late. We will continue to seek cases in this area, since it is clear from the many allegations that we receive that many sectors are still not taking racial equality considerations into account when making important decisions.

We have considered and inquired into eight cases for potential judicial review action during the year. Interestingly, seven concerned local government, and one a non-departmental public authority. Some of these matters are still ongoing. Five of the local government cases were from London or the South East, and two from the Midlands. We also worked with policy staff in other authorities, giving advice and guidance on the duty.

Some patterns are emerging from the complaints that we receive. Many of the problems appear to be arising from the failure of authorities to carry out full impact assessments to ensure that their proposed policies do not have a negative effect on racial equality. As there is now joint Home Office and CRE guidance available on carrying out race equality impact assessments, we hope that authorities will ensure that their policies are systematically assessed for racial equality.

The specific duties

Additional duties to help listed authorities meet the race equality duty were brought in through statutory instrument. These include the duty on many authorities to produce a race equality scheme; the duty on schools and further and higher education authorities to produce a race equality policy; and the duty on public authorities as employers to monitor aspects of recruitment, training and management practices.

Only the CRE can enforce these specific duties, through a compliance notice (section 71D of the RRA). We have developed a compliance process whereby a warning letter is sent to any authority failing in one or more of these specific duties, requesting it to redress the problem by a given deadline. If the authority complies with this request, no further or formal action is

We are pleased to report that our compliance process is working very well

taken. If the response to this warning is not satisfactory, our legal affairs committee decides whether or not to issue a formal compliance notice.

We use templates to assess compliance with the specific duties and began updating the templates towards the end of 2004.

We are pleased to report that the compliance process is working very well: in the period January–December, we dealt with 74 cases under section 71D and section 71E of the RRA (see Table 4). Seventy-two were dealt with through the warning letter, and two authorities were served with compliance notices (both responded satisfactorily by December 2004). At the end of the year, seven cases were outstanding.

TABLE 5: CASES HANDLED BY SECTOR UNDER SECTIONS 71D AND 71E OF THE RRA, 2004

England and Wales regional authorities:

Criminal justice sector	22
Local government sector	16
Education sector	7
Health sector	3

England and Wales national authorities:

Central government departments	3
Health-related non-departmental public authorities	4
Education-related public authorities	1
Other non-departmental public authorities	1

Scottish authorities:

Local government sector	10
Education sector	10
Health sector	5

INTERVENTIONS

■ *Ingen v Wong*

During the latter part of 2004 we also worked with the Equal Opportunities Commission and the Disability Rights Commission to prepare for the hearing in the Court of Appeal of *Ingen v Wong*, a landmark case. This case will give the first authoritative interpretation by the courts of the meaning of the new burden of proof, as enacted in the Race Regulations of 2003.

We await the decision of the Court of Appeal.

WORKING IN PARTNERSHIP

Our work with partner organisations continues to be of vital importance in helping to share best practice both in Britain and internationally.

RACIAL EQUALITY COUNCILS

We have continued to receive information from racial equality councils (RECs) across the country on the projects they have been running with funding from our Getting Results programme (see appendix 3 for details of section 44 funding).

Greenwich REC's diversity training places the community at the heart of planning and has been considered the leading model of best practice both in Europe and the UK. The REC has given training sessions in the Czech Republic and in four regions within the Russian Federation. In Greenwich they have expanded the scope of this training from the police to education and health, and are planning to use it for prisons.

The Greenwich Accord, a partnership agreement between Greenwich REC, Greenwich Council and the police, sets out minimum performance standards for the investigation of racially motivated crime. It has now been expanded to include other local voluntary and statutory organisations as partners and its scope widened to include other forms of hate crimes.

The 2004 Kingston Carnival took place on 12 September with an estimated 20,000 attendees, many more than in previous years. The event included a live stage, featuring music and dance from around the world, from African-Caribbean Soca to traditional Indian dancing, and music from a Cuban band. The highlight was a traditional Caribbean parade to begin the carnival. The carnival was the brainchild of Kingston REC, and began life as the All Nations Festival almost a decade ago. It has grown from strength to strength and is one of the highlights of Kingston's calendar, bringing public, private and community sectors together to celebrate the contributions that different ethnic minority communities have made to the borough.

In Kirklees, the local REC established an 0800 free telephone language helpline for reporting hate incidents. It operates on a 24-hour basis and incidents can be reported in any one of nine languages.

Hounslow REC organised a football competition, to create better understanding among agencies working together to tackle racial harassment in Hounslow.

Tameside REC has now expanded to cover all ten Greater Manchester local authorities. Between April and September their racial discrimination service secured over £150,000 in compensation for their clients.

Birmingham Race Action Partnership's youth project has worked with over 250 young people. One result of the project was the production by a group of young people of a video on girls and gangs which they showed to an international youth conference in London in October.

Oldham Race Equality Partnership set up an apprenticeship scheme with local construction companies, aimed at recruiting under-represented groups to apprenticeships in building and construction. By the end of the initiative in September, five ethnic minority candidates had gained apprenticeships.



One of the teams taking part in Hounslow REC's football competition.



Peterborough REC's Unity Youth Team project aims to increase mutual respect and understanding, and to reduce racial tensions among young people. The project works in schools and communities to bring young people from different racial backgrounds together through common interests. The project is viewed as an example of excellent community cohesion youth practice, at local, national and international levels. It was chosen as one of only three projects in Europe to be showcased at a European Union Ministers Conference in Groningen, Holland.

SPORTING EQUALS

A partnership between the CRE and Sport England, Sporting Equals has been running since 1998, and faced new challenges this year as a result of internal changes within both organisations. During 2004 it supported national governing bodies, local authorities and sports organisations to set in place the race equality charter and standards, and developed the infrastructure for the implementation of the community development strategy for sport.

Sporting Equals has continued to promote the equity agenda in sport, which has resulted in the agreement to develop the Equality Standard for Sport. It has worked closely with equity partners the Women's Sports Foundation UK and the English Federation of Disability Sport, Sport England, UK Sport, CCPR and the Sports Councils for Scotland, Wales and Northern Ireland.

In November the equity partners held the first Equality in Sport conference, entitled 'Taking Action'. The Equality Standard for Sport was launched at the conference by Lord Carter of Coles, chair of Sport England.

Six local authorities achieved the preliminary level of the standard this year: Slough, Kirklees, Sandwell, Bradford, Bristol and Nottingham. Sporting Equals has now recruited a number of standards case officers and Accreditation Panel members, who will be trained on implementing the standards.

A community development strategy has been drafted following the first stage of consultation within key government departments and with Sport England regional offices. Local community groups are involved in consultation on the document and it is intended that the result will be a final working strategy. Sporting Equals is working with Skills Active to develop competence standards for community development staff.

POLITICAL PARTIES AND PARLIAMENT

CRE officers and commissioners attended the Labour, Liberal Democrat and Conservative party conferences throughout 2004, and met ministers, parliamentarians, media and other key stakeholders. Trevor Phillips, our chair, was a keynote speaker at a number of fringe events at the conferences. We also co-hosted the Absolutely Equal party at the three conferences.

ENGAGEMENT WITH POLITICAL PARTIES

In 2004 we set up a series of roundtable meetings with the three main political parties. All three parties made a commitment to attend these meetings on a regular basis. A series of action points was agreed at each meeting, and subjects covered included recruitment and retention of ethnic minority members, selection of ethnic minority candidates, and race relations policy issues.

ABSOLUTELY EQUALS

The CRE is a partner of the Absolutely Equal group, which organised a series of meetings with MPs and lords, to discuss equality issues and to lobby the parties on equality pledges for inclusion in their party manifestos. The other partners are the Disability Rights Commission, the Equal Opportunities Commission, Equal Rights on Age, and Stonewall. The group is sponsored by Barclays.

EUROPE

We finalised our European and international strategy in July and published it on our website, with a summary of consultation views received and the action we took as a result. We also published our response to the European Commission's green paper on the future of anti-discrimination work in the enlarged European Union.

We contributed to a shared website for European equality bodies, and continued to play an active role on the management committee of UKREN, the UK Race and Europe Network, including hosting a UKREN public seminar on 'the relevance of Europe in the fight against racism'. As part of the European data collection working group, which aims to develop guidance and make recommendations across member states, we have contributed to research projects and also chaired part of an EU-wide conference in Helsinki in December.

We also attended a number of events on different aspects of European policy during the year:

- In January we hosted the fifth in a series of experts' meetings, bringing together colleagues from specialised equality bodies across Europe to look at the implementation of EU anti-discrimination legislation. The meeting was followed by a publication, to which we contributed several sections on the work of the CRE.
- In November Trevor Phillips, our chair, met the UK Permanent Representative to the EU, members of the European Parliament's intergroup on anti-racism and diversity and the director responsible for immigration and integration issues in the European Commission's Directorate General for Justice, Freedom and Security.
- We participated in the European Policy Centre (EPC) conference in Brussels on the future of EU immigration, integration and asylum policies.
- We took part in a small, invitation-only seminar hosted by the EPC on the Dutch Presidency's common integration principles.
- We attended two EU Presidency conferences on the European Commission's new social policy agenda and the future of equality in the European Union respectively.



Brendan Kelly / Moustrap Media 2004

Sir Digby Jones, CRE commissioner, and Trevor Phillips, our chair, at the Celebrate, Integrate party we hosted at the Labour Party conference in June.

APPENDICES

APPENDIX 1 MEMBERS OF THE COMMISSION FOR RACIAL EQUALITY

1 JANUARY 2004 – 31 DECEMBER 2004

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.



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.



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–).



MOHAMMED AZIZ

CRE commissioner (January 2004–). Mohammed is the founding chief executive officer of the Forum against Islamophobia and Racism and the British Muslim Research Centre. He completed his LLB (Hons) and LLM at University College London and was called to the Bar by the Honourable Society of Gray’s Inn in 1996. He has worked as a youth and community worker, research assistant and health advocacy officer, education social worker, teacher and college lecturer, local government lawyer and policy/project development officer. He is currently a director of FaithWise Ltd and an advisor to the Muslim Council of Britain. He is also a member of the government’s steering group on the Commission for Equality and Human Rights, a board member of the European Network against Racism (ENAR), and trustee of several voluntary sector organisations including the East London Mosque and London Muslim Centre. Mohammed specialises in religious discrimination and provides specialist advice in this area to various government departments and statutory agencies.



JULIA CHAIN

(CRE commissioner January 2004–). Julia read anthropology and law at Cambridge and qualified as a solicitor at Herbert Smith in 1984 after spending two years in New York at Shearman and Sterling. After specialising in corporate affairs work, Julia became a managing partner of Garretts, the first inter-disciplinary law firm set up by the accounting firm Andersens, and in 1998 joined the board of T-Mobile UK as general counsel. In September 2003, she joined Jomati Consultants specialising in strategic consulting to law firms and corporate counsel. Julia is involved in a number of charities. She is a trustee of the Jewish Association for Business Ethics, which among other things produces courses on ethics for sixth-form students throughout the country, and of Norwood Childcare. She sits on the board of *The Jewish Chronicle*, is a school governor and a member of the Board of Management of Golders Green Synagogue in north London.



KHURSHID AHMED

CRE commissioner (April 2002–). 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.



SIR DEXTER HUTT

(CRE commissioner April 2004–). Dexter was educated in Guyana and England and graduated with a degree in Social Sciences from Birmingham University. He then taught in Handsworth and Coventry before becoming headteacher of Ninestiles School in Birmingham in 1988. Ninestiles has improved from being labeled as failing to one of the country’s leading schools, and Dexter has received a knighthood for services to education. He is heavily involved in school improvement both locally and with the Department for Education and Skills. He is now executive headteacher of the Ninestiles Federation of Schools (Ninestiles, Waverley and the International School) and Chief Executive of Ninestiles Plus, a company which provides training and consultancy in the field of school improvement.



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.



IAN BARR

CRE commissioner (April 2002–). 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.



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 racial 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.



SIR 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. Gloria’s 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. Gloria 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.



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).



CHARLES SMITH

CRE commissioner (April 2004–). Charles has been involved in Gypsy politics for about 30 years, and is known and respected for his outspoken views of what needs to be done to bring about equal rights for the Gypsy people. He has been the elected chair of the Gypsy Council for the past 14 years and is also the UK representative to the United Nations. He spent eight years as a Labour councillor for Castle Point, and in 2002-03 was the first Gypsy to hold the position of mayor. Charles is a published poet and is currently collating poems for a new book, as well as writing a novel. He recently turned his hand to filmmaking and has produced a video for the Gypsy Council, *Footsteps in the Sand*, about the festival of St Sara, the patron saint of Gypsies, which is held annually in France.



APPENDIX 2

COMMITTEES OF THE COMMISSION FOR RACIAL EQUALITY

[AT 31 DECEMBER 2004]

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

AUDIT

Khurshid Ahmed (chair)

COMMUNITIES AND PARTNERSHIPS

Kay Hampton (chair)	Khurshid Ahmed
Julia Chain	Kamaljeet Jandu
Gloria Mills	Cherry Short

FINANCE AND MODERNISATION

Trevor Phillips (chair)	Ian Barr
Kay Hampton	Sarah Spencer

LEGAL AFFAIRS

Trevor Phillips (chair)	Mohammed Aziz
Julia Chain	Jagdish Singh Gundara
Gloria Mills	Charles Smith

PRIVATE SECTOR

Ian Barr (chair)	Julia Chain
Gloria Mills	Sarah Spencer

POLICY AND PUBLIC SECTOR

Sarah Spencer (chair)	Mohammed Aziz
Jagdish Singh Gundara	Dexter Hutt
Charles Smith	

COMMUNICATIONS AND RESEARCH

Trevor Phillips (chair)	Mohammed Aziz
Jagdish Singh Gundara	Dexter Hutt
Charles Smith	

REMUNERATION

Dexter Hutt (chair)	Khurshid Ahmed
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SCOTLAND ADVISORY BOARD

Kay Hampton (chair)

WALES ADVISORY BOARD

Cherry Short (chair)

LONDON AND SOUTH ADVISORY BOARD

Kamaljeet Jandu (chair)

APPENDIX 3 FINANCIAL ACCOUNTS

(1 APRIL 2004 – 31 MARCH 2005)

SUMMARY PROVISIONAL INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	2004/5 PROVISIONAL UNAUDITED ¹ £	2003/4 AUDITED £
INCOME		
Grant in aid received – revenue	17,360,550	19,648,123
Other income	541,860	502,749
	17,902,410	20,150,872
EXPENDITURE		
Staff costs	8,444,837	9,122,302
Depreciation and cost of capital	340,637	166,141
Stock write-offs	71,086	74,028
Provisions and dilapidations	-	1,813,046
Property costs	1,756,273	1,474,500
Office costs	555,903	721,744
Audit fees	43,500	76,681
Legal services	865,378	627,908
Travel, recruitment, and staff training	514,119	405,638
Research and library services	169,799	50,212
REC grants	3,935,347	4,373,497
Complainant aid	-	250,000
Publicity and information services	324,265	111,084
Conferences, seminars and meetings	34,584	141,380
Miscellaneous	59,689	143,175
Computer services	627,352	420,804
Unrealised loss on revaluation of fixed assets (computers)	-	8,829
	17,742,770	19,980,969
Surplus on operating activities	159,640	169,903

SUMMARY PROVISIONAL BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2005

	2004/5 PROVISIONAL UNAUDITED £	2003/4 AUDITED £
Fixed assets	759,975	303,935
Tangible assets		
Current assets	2,706,871	3,932,314
Debtors and prepayments	949,856	925,751
Stock	32,986	32,986
Cash at bank	1,724,028	2,973,577
Liabilities	2,273,195	1,683,348
Creditors due within one year		
Net current assets	433,675	2,248,966
Total assets less current liabilities	1,193,652	2,552,901
Provisions for liabilities and charges	393,907	2,003,119
Net assets excluding pension asset/liability	799,745	549,782
Pension asset	2,700,000	2,700,000
Pension liability	(794,100)	(794,100)
Net assets including pension asset/liability	2,705,645	2,455,682
Capital and reserves	2,705,645	2,455,682
Income expenditure reserve	2,401,711	2,151,747
Government grant reserve	275,615	275,615
Revaluation reserves	28,320	28,320

NOTES

- The financial results for 2004/5 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 2004 to March 2005. 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.

APPENDIX 4

SECTION 44 FUNDING

(1 APRIL 2004 – 31 MARCH 2005)

To receive funding, organisations must be focused on achieving real and meaningful changes

In 2004 we continued to develop and promote the Getting Results programme. This was the second of the three-year phased implementation of the new policy framework for funding local racial equality work under section 44 of the Race Relations Act. During the year we held two funding rounds, a main round which runs for one year from the beginning of April, and a second 'specialist' round, which runs for one year from the beginning of December.

The allocation of funding under the Getting Results programme is based on an organisation's application meeting our outcome-based funding criteria. To receive funding, organisations must focus on achieving real and meaningful changes. To make the system more transparent and easy to understand, we ask agencies to tell us how they intend to achieve these outcomes. The process helps us to ensure that the projects we fund are in line with our business plan, and that they represent good value for money.

For this year's main funding round we decided to complement the existing Getting Results priorities of leadership, cross-community work, conflict resolution and work with alienated communities with the following areas:

- religion and belief;
- Gypsies and Travellers;
- implementing the race equality duty;
- combating far right activity;
- refugees and asylum seekers; and
- racial discrimination casework.

In total we awarded £3.8m to 93 projects in England, Wales and Scotland. While much of this funding was allocated to racial equality councils, with whom we work closely, it is important to note that almost half of all applications for funding we received were from organisations which have not traditionally received funding.

The second round of funding, the specialist round, focused on the two main priorities of integration and capacity building, to better enable organisations to bid for funding, and to deliver projects with clear racial equality outcomes. For this developmental round we had £380,000 to award, and this was allocated to 13 projects.

As the Getting Results programme continues to develop, it is important that it takes on board the views of those who use it and those who need it to make a difference to their lives. To help us do this effectively, we have worked with a broad variety of individuals, organisations and political representatives. This has included running workshops with racial equality councils, including at the British Federation of Racial Equality Councils' annual national conference. We have also focused on our internal working, to improve the management and administration of our grant-making function. We were assisted in this task by consultants from Tribal Resources, who provided considerable comparative expertise, and helped us to revise our application pack for future funding rounds. We will continue to develop the programme and will review how it is operating in 2005.

We provided financial assistance during 2004 to the organisations listed below. Most, but not all, 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 (£)
Angolan Civic Communities Alliance	6,100	Harrow	47,108
Avon and Bristol Law Centre	41,600	Huntingdon Housing Partnership Ltd	15,000
Aylesbury	51,850	Hillingdon	20,000
Ayrshire	15,000	Hounslow	59,957
Bedford	39,500	Islington and Camden Community (Integration Project)	6,150
Bexley	29,300	Ipswich and Suffolk	33,488
Birmingham RAP	35,000	Irish Traveller Movement in Britain	15,000
Bath and North East Somerset	29,900	Kingston	53,943
Bradford Law Centre	25,000	Kirklees	16,000
Bristol	42,187	Leeds	35,116
Bromley	30,000	Leicester	34,710
BTCV Birmingham	15,000	Liverpool 8 Law Centre	36,200
BTCV Swindon	15,000	Lincolnshire	21,000
Central Scotland	74,620	Luton Race and Equality (Pilot Steering Group)	15,000
Citizen Advice and Rights Fife	21,681	Medway	48,150
Cambridge Ethnic Community Forum	22,350	Merton	34,800
Cheshire HW	55,523	Milton Keynes	59,313
City Life Church, Southampton (Clear Project)	15,000	North East Centre for Diversity	131,570
Derby Millennium Network	4,100	North Lambeth LC	150,000
Derby	37,277	North Staffordshire	85,996
Devon and Exeter	19,300	North Wales REN	17,812
Dorset	15,000	North West Kent	47,000
Dockland Settlement No 2 (Isle of Dogs)	15,000	Northamptonshire	69,287
Dudley	58,704	Norwich and Norfolk	83,050
Ealing	55,000	Nottingham and Nottinghamshire	79,706
East Staffordshire	52,613	Novas Ouvertures Group	15,275
Enfield	42,943	Oldham	19,200
Essex	40,000	Oxfordshire	34,200
Ethnic Minorities Law Centre	21,600	PACE - Bournemouth University	6,500
Gloucester Law Centre	37,500	Peterborough	68,450
Grampian	59,358	Plymouth	30,000
Greenwich	38,349	Preston and Western Lancashire	71,550
Haringey	39,943	Reading	58,513

RECIPIENT	FROM CRE (£)	RECIPIENT	FROM CRE (£)
Race Equality Action for Lewisham	32,000	Swansea Bay	40,774
Redbridge	71,932	Swindon	39,200
Race Equality First	43,388	Tameside	184,577
Race Equality in Newham	41,746	Third Party Hotline	14,800
Race Equality Partnership Croydon	37,000	Valleys	17,846
Race Equality Sandwell	15,600	Waltham Forest	66,281
Race Equality West Midlands	96,000	Watford	43,500
Rotherham	33,243	West Lothian Council Advice Shop	15,000
Rugby	27,500	West of Scotland	48,791
Sheffield	44,500	Wiltshire	30,000
Slough	48,050	Worcestershire	18,700
Southwark	55,680	York	24,596
Soft Touch Community Arts	14,323	YWCA Worcester	7,396
Sutton	33,800	Total	3,766,565

SECTION 44 SPECIALIST FUNDING, 2004/5

During 2004, in addition to grants made under section 44, the CRE allocated financial assistance under its specialist round to the following organisations, for the financial year 2004/5:

RECIPIENT	FROM CRE (£)	RECIPIENT	FROM CRE (£)
Butetown History and Arts Centre	47,500	Kirklees Racial Equality Council	37,900
Central Scotland Racial Equaity Council	26,300	Manchester Council for Community Relations	20,800
Cheshire Development Education Centre	4,500	Peterborough Racial Equality Council	27,200
Greenwich Racial Equality Council	42,700	Race Equality West Midlands	28,500
Ealing Racial Equality Council	37,900	Touch Community Arts	23,700
East Staffordshire Racial Equality Council	15,600	The Haven, Wolverhampton	28,500
Kingston Racial Equality Council	38,900	Total	380,000

APPENDIX 5 STAFF, OFFICES AND RESOURCES

[1 JANUARY 2004 – 31 DECEMBER 2004]

INTERNAL CLOSURES

Following a budget cut, the CRE was obliged to make several difficult decisions over the summer, and in the end it was decided to close both the CRE Leeds office and the library as a public service.

Our commissioners are determined to ensure that the integrity of the CRE library, and its incalculable worth as a unique archive of race relations material, is not compromised. While the library is at present being preserved as an internal resource, any decision about its longer-term future will be governed by the concerns commissioners have expressed.

RACE EQUALITY SCHEME

Our first race equality scheme was set up in 2002 to formalise the process of integrating racial equality within all our relevant work. Over the past three years, we have set up a number of initiatives and related activities. These include:

1. Race equality scheme: performance indicators

We created a set of performance indicators for each objective in our race equality scheme, to help us measure our progress towards meeting our organisational goals. These indicators help us to be more systematic when drafting policies and to make sure that equality and other relevant factors are considered as part of the policy drafting process.

2. Race equality impact assessment and consultation

During the year, we consulted on and assessed the impact of a number of internal and external policies and procedures. Two of the most significant are our statutory code of practice on racial equality in employment and an assessment of the Voluntary Severance Early Retirement (VSER) process in May 2004.

■ Statutory code of practice on racial equality in employment

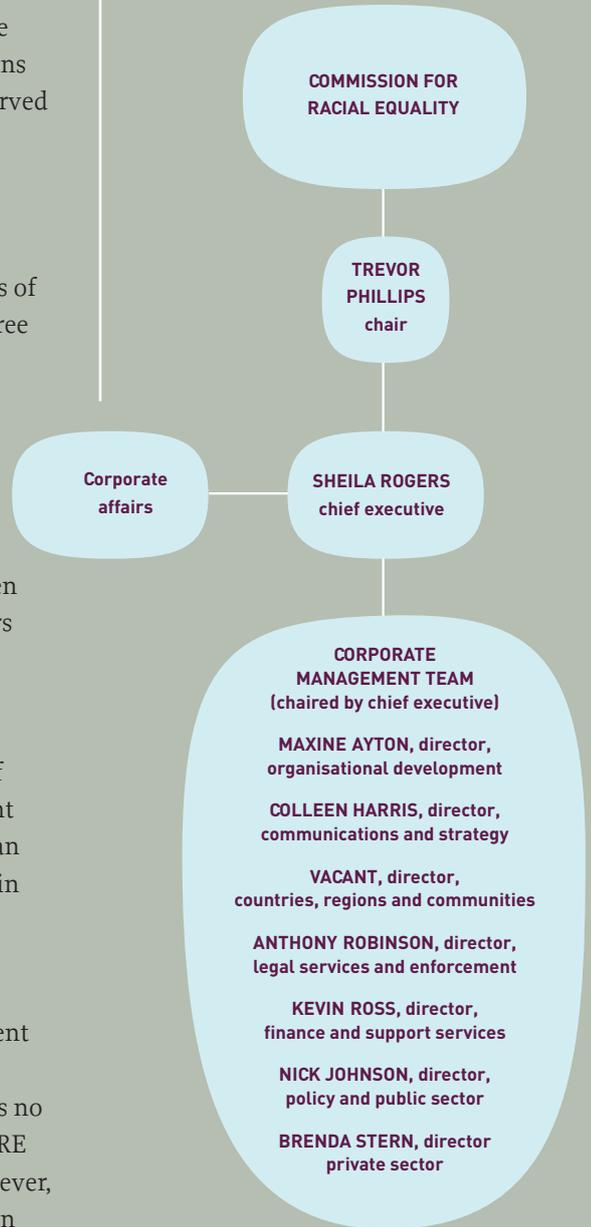
The race equality impact assessment of the code of practice in employment showed that there was no evidence of potential adverse impact or discriminatory practices in the code's development. As a result, there was no qualitative or quantitative evidence that the issuing of the code by the CRE will have differential impact among certain racial or ethnic groups. However, it may be that any such impact will only emerge once organisations begin using the code's recommendations.

We therefore developed a monitoring strategy using several different approaches, so that when the code comes into use we can check its effect on racial equality on an ongoing basis.

■ Voluntary Severance Early Retirement (VSER)

The race equality impact assessment of the VSER process revealed a disproportionate number of applications from black female employees. We

CRE SENIOR MANAGEMENT at 31 December 2004



APPENDIX TABLE 1: PERMANENT STAFF IN POST AT 31 DECEMBER 2004, 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																
British			1		3	5	6	4	6	11	3	5	19	25	44	
English										1		1	0	2	2	
Scottish						1				2		1	2	3	5	
Welsh										1			0	1	1	
Irish		1					1		1				2	1	3	
Other White					2	1	1	3	2		8	1	3	5	16	21
Subtotal	0	1	1	2	4	7	10	6	9	22	4	10	28	48	76	
Mixed background																
White & Black Caribbean															0	
White & Black African															0	
White & Asian															0	
Other Mixed										1			0	1	1	
Subtotal	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1	
Asian or Asian British																
Indian					3	3	2	5	4	5		1	9	14	23	
Pakistani					1		1		1		1		4	0	4	
Bangladeshi									1	1			1	1	2	
Other Asian						1							0	1	1	
Subtotal	0	0	0	0	4	4	3	5	6	6	1	1	14	16	30	
Black or Black British																
Caribbean			1	2	2	2	4	9	5	9	4	12	16	34	50	
African					2	1	4	1	2	3		8	8	13	21	
Other Black					1				1	2		2	2	4	6	
Subtotal	0	0	1	2	5	3	8	10	8	14	4	22	26	51	77	
Chinese, Chinese British or other ethnic group																
Chinese												3	0	3	3	
Other background					1			2	1	4			2	6	8	
Subtotal	0	0	0	0	1	0	0	2	1	4	0	3	2	9	11	
No response			1		1		1	3	1	2			4	5	9	
Total	0	1	3	4	15	14	22	26	25	49	9	36	74	130	204	

Note: Figures include staff on fixed-term contracts, and staff seconded to the CRE.

carried out an interim analysis of the workforce, which revealed that black women occupied lower graded posts than their white counterparts, despite their longer length of service.

This topic was discussed by our finance and modernisation committee, and senior officers met the unsuccessful applicants within this group to get their views on the CRE, the VSER process and their reasons for applying for it.

We used the comments received from the focus groups to improve our new training and development strategy.

3. Monitoring and reviewing CRE policies for adverse impact

As part of the review of our race equality scheme, it has become clear that our computerised information systems do not allow us to collect extensive monitoring data on all our policies. We are now setting up a system to review policies and strategies regularly for any evidence of adverse impact. This requirement will be included in directorates' business and operational plans.

4. CRE information and services

During 2004, we completed our review of our charter of service standards, *Aiming High for Equality*. The revised version will be made available on our website.

Ensuring access to the information and services we provide has always been important to us, but it is particularly important now, with the introduction of the Freedom of Information Act 2002. To help us meet our duties under the Race Relations Act, and to improve our services to customers, we are working on a policy and knowledge management programme. This will include management, administration and training, to ensure that our employees have full knowledge of and access to information held by the CRE, so that we can provide service users with the information they require.

5. Training staff

Our employees have an important role to play in ensuring that our race equality scheme works efficiently. To equip our staff with the knowledge and skills they need, we held a number of general training workshops, focused on improving our employees' understanding of their roles and responsibilities within the scheme. However, it became increasingly clear that targeted training was needed in some areas, particularly for policy writers, for example on carrying out race equality impact assessments, and monitoring employment data.

6. Employment monitoring data 2004

■ Staff in post

Of the 204 staff in post at 31 December 2004, 76 (39%) were from the White group; 30 (15%) were from the Asian or Asian British group; 77 (39%) were from the Black or Black British group; and 11 (6%) were from the Chinese or Chinese British or other ethnic group, with only one member of staff of mixed background. There was no record of ethnicity for nine (5%) members of staff. Percentages have been rounded and are based on the 195 staff whose ethnic classifications were known.

■ Applicants for employment

There were 615 applications for employment in 2003/04. Of these, 265 (43%) were from White applicants; 200 (32.5%) from Black applicants; 94 (15.3%) from Asian applicants; 40 (6.5%) from applicants of mixed background; and 16 (2.6%) from Chinese applicants or applicants from other ethnic groups. Only 10 offers of employment were made, which means that only 1.6% of all applicants were successful.

In terms of ethnicity, the success rate of White applicants was 1.9%, of Asian 4.3% and of Black 0.5%. No offers were made to other ethnic groups. White applicants were more likely than others to be shortlisted, but Asian shortlisted applicants were much more likely than others to get a job offer.

APPENDIX TABLE 2: PERFORMANCE RATING FOR STAFF APPRAISALS IN 2004, BY ETHNIC ORIGIN

	Excellent		Performing well		Acceptable		Below standard	
	No.	%	No.	%	No.	%	No.	%
White	10	14	57	83	2	3	0	0
Mixed	0	0	4	80	1	20	0	0
Asian	4	13	25	81	2	6	0	0
Black	7	9	61	78	9	12	1	1
Chinese/Other	0	0	2	100	0	0	0	0
All groups	21	11	149	81	14	8	1	1

In terms of sex, male applicants were more likely (2.2%) than female applicants (1.3%) to receive a job offer. This was accounted for entirely by male applicants' greater success at shortlisting stage. It may be relevant that women tended to apply for jobs in the lower grades.

■ *Applicants for training*

There were nine applicants for financial assistance with further and higher education courses. Of these, four were Asian and five black.

■ *Applicants for promotion*

There were 36 applications for promotion in 2003/04. Of these, 16 were white, one of mixed background, five Asian, and 14 black. Seven of the applicants were male and 29 female. The numbers are too small to support analysis, but there do not appear to be major disparities between ethnic groups in rates of applying or achieving job offers. In terms of sex, applications from men (14%) were more successful than applications from women (31%), but the numbers are too small to draw conclusions safely.

■ *Staff who attended training*

During this period, we did not conduct any in-house training, as we were reviewing our training and development strategy. We have now devised a new training programme for 2005, to equip our staff with the appropriate skills and knowledge to help us to achieve our strategic objectives.

■ *Performance appraisal*

Ratings were divided into 'excellent', 'performing well', 'acceptable', and 'below standard'. Table 2 above shows the distribution in numbers between the broad ethnic groups.

■ *Staff involved in grievance procedures*

There were no grievances during the reporting period.

■ *Staff subject to disciplinary procedures*

No member of staff was subjected to the disciplinary procedures during the reporting period.

■ *Leavers*

During the period monitored, 49 people left the CRE's employment. This unusually high figure was due to a voluntary severance and early retirement exercise.

Of the group, 18 were white, seven Asian, 13 black, two Chinese, and nine classified as of other ethnicity. The majority of people leaving were women, 29 in total.

