

Equal Opportunities Commission

# Annual Report & Accounts

April to September 2007



Women. Men. Different. Equal.  
Equal Opportunities Commission



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April to September 2007

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# Annual Report & Accounts

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# The Equal Opportunities Commission

## Mission Statement

The EOC's mission, as the independent statutory body on gender equality for Great Britain until 30 September 2007, was to promote equality of opportunity for all men and women and to eliminate sex discrimination and discrimination against transsexual people. It worked to achieve the following vision for equality, as set out in its Corporate Plan for 2005-08.

### Women. Men. Different. Equal.

*This is what the world would look like once our vision had been achieved.*

*It's important that it's achieved for all women and men, regardless of ethnicity, faith or belief, disability, age and sexual orientation, and whatever their class or language.*

Women's **economic potential** would be realised, leading to higher productivity, with:

- equal pay
- a family-friendly economy
- equal choice in education, jobs and leisure
- proper rewards for skills in areas of work where women predominate, including the care sector
- equal power for women and men.

**Caring** would be shared and valued (practically and financially), with:

- real choice for men and women in how they share earning family income and looking after children or adult family members
- genuine choice for parents and carers in whether and how much to work
- real choice and support for carers of adults and those they look after, promoting independent living
- equal pensions for men and women.

Public services and policies **would meet the different needs of diverse women and men**, with:

- equal access
- policy and services tailored to different needs
- better employment practices delivering greater productivity and equality
- real choice for ill, frail and disabled people about care arrangements, including independent living.

To **eliminate discrimination** there would be:

- effective, consistent and modernised discrimination and human rights legislation
- an effective single equality and human rights body
- employers and employees aware of their rights and responsibilities with expert advice available when needed
- an end to institutional gender discrimination.



## Introduction

This report covers the period from 1 April to 30 September 2007, as from 1 October the responsibilities of the EOC were subsumed into the new Commission for Equality and Human Rights. Although this remains its legal name, it is known as the Equality and Human Rights Commission (EHRC), so references throughout this document will be to the EHRC.

During its last six months the EOC made an important contribution to the creation of the new equality body that will bring together across Great Britain the statutory responsibilities to reduce discrimination on the grounds of gender, disability, race, sexual orientation, age and faith and belief, as well as responsibility for human rights in England and Wales and for human rights on reserved matters in Scotland.

From April to end September 2007 the main focus of the EOC's work was to ensure an effective transition to the EHRC and pass on to it a strong gender legacy. In order to do so the EOC had in place a Transition Plan, which had three key elements:

- The creation of a strong gender agenda.
- Helping to build an effective EHRC.
- Transferring well-motivated staff to the EHRC.



## Key achievements

from 1 April to 30 September 2007

### A strong gender agenda

The EOC aimed to keep gender issues high in the political and wider agenda in the run up to the creation of the EHRC, so that there was no loss of momentum during this period. To help the EHRC develop its own strategic goals and to leave a lasting legacy for other stakeholders, the EOC published a '**Gender Agenda**', which was launched on 24 July at a high profile stakeholder event. The Gender Agenda set out 10-year strategic goals for the EHRC. These goals, which the EOC developed after consultation with stakeholders, were:

- Closing the income gap between men and women.
- Giving better support to modern families.
- Modernising public services so they meet women's and men's different needs.
- Providing equal access to justice and safety.
- Sharing power equally between men and women.

As transgender people face additional problems, the EOC added an extra goal for them over the next 10 years:

- Respecting transgender people so they have equal rights and access to services.

A Gender Agenda publication set these out in more detail, illustrating the issues in a striking cartoon format, and also included the Gender Agenda Index of key indicators of sex equality across the five gender agenda themes, against which progress towards gender equality could be measured in the future. The launch event, at which Harriet Harman, the Cabinet member responsible for equality, gave the keynote speech, was very well attended. The Gender Agenda messages and Index gained widespread media coverage and sparked off a wider debate about the work still needed to achieve gender equality.

In addition, the EOC suggested specific projects to the EHRC to take forward in its first few months and years and was pleased that many of these were reflected in its interim business plan.

The EOC successfully promoted **the gender agenda** over its last six months in other ways, with a series of research reports, events and high-profile launches on key topics.

These included:

- The launch with David Cameron of the final report of the EOC's **Transformation of Work General Formal Investigation**, which demonstrated that working time can be better organised to meet the needs of both employees and employers, and set out new models of working that would meet these needs in different kinds of working environments.
- The launch of **pensions modelling** with James Purnell, who was at that time the minister responsible for pensions. The pensions modelling illustrated how possible changes to the government's proposals for personal accounts might increase the likelihood of it paying to save for more individuals under the proposed new system.
- Publishing research into the **undervaluing of women's work** to raise awareness among opinion formers and government of the scale of the problem across England, Scotland and Wales. The research drew attention to a 'caring time bomb', as poor pay and staff turnover undermine the female-dominated caring professions, indicating that one of the reasons work traditionally done by women is undervalued is the stereotypical views that women in caring roles are perceived as 'naturally' good at the job.
- **EOC Scotland** published an investigation, which evaluated the role and grading of **classroom assistants** and contributed to the EOC's wider understanding of the **undervaluing of women's work**.
- A Citizens' Forum, following the successful publication in March of the EOC's investigation into the labour market position of Pakistani, Bangladeshi and Black Caribbean women, *Moving on up? The Way Forward*. The Forum brought together employers, ethnic minority women and policy makers to explore **overcoming the barriers that prevent ethnic minority women entering and progressing in the workplace**.

- EOC Scotland and EOC Wales both published separate reports into the **pay and progression of ethnic minority women**, highlighting the barriers they face to fulfilling their potential in the workplace.

The EOC also continued to seek to stop **pay discrimination** and worked towards resolution of the issue of equal pay in local government and pressed for a Minister-led task force to bring together stakeholders from across local government to provide direction on swift and practicable progress towards equal pay. In Scotland the EOC chaired and led **the Scotland wide equal pay initiative, Close the Gap**. In **Wales** the EOC contributed to the development and launch of the first social partnership agreement between the Welsh Assembly Government, the TUC and other stakeholders, which contains a commitment to tackling unequal pay.

The EOC continued to lobby for more **up to date equalities legislation** and responded to the Discrimination Law Review's Green Paper, *A Framework for Fairness*. It supported the objectives of making the law simpler and more effective, but was concerned that significant opportunities to tackle deep-seated inequalities were missed. In particular the proposals will not tackle the systemic pay problems that help retain the gender pay gap with women earning 17% per hour less than men. The EOC wanted to see an obligation on employers to identify, by means of **an equality check**, any gender pay gap within their workforce and take action to tackle its causes.

The EOC followed up on the recommendations in its **investigation into occupational segregation** *Free to Choose: Tackling Gender Barriers to Better Jobs* (published in 2005), many of which were endorsed by the Women and Work Commission and were included in the Government's Action Plan, responding to the Women and Work Commission's recommendations. Highlights included progress towards improving careers guidance to challenge stereotyping and widen choices, and reducing gender segregation in apprenticeships that have been traditionally seen as suitable only for boys or girls.



In April 2007 the new **Gender Equality Duty** came into force and the accompanying Codes of Practice and guidance were well received. The EOC developed a monitoring and enforcement strategy, which identified priority themes and sectors and handed this work programme over to the EHRC in October 2007.

The EOC also continued its active programme of **enforcement work**. It assisted a small number of strategic legal cases where it sought clarification of a number of important points of law relating to pay and pregnancy discrimination, or where issues of wider significance were raised. Those that were not completed by 1 October were passed on to the EHRC to take forward. It also worked with the EHRC to ensure a smooth transition on its suspended **formal investigations into sexual harassment in the armed services, Royal Mail and the Prison Service**.

The EOC's strategy to ensure a strong gender legacy also included working with stakeholders to help **build a wider gender lobby** for the future, tapping into both governmental and non-governmental organisations' work examples included:

- Working families and the Parents and Carers coalition committed to take forward work on families and caring.
- Interest from the Office of Disability Issues in the EOC's transformation of work agenda.
- The Women's National Commission is to consider using the Gender Agenda Index in their reports on government's implementation of the Convention on the Elimination of Discrimination against Women.

The EOC also funded a small number of organisations to take forward specific projects under its Gender Agenda themes. This included funding to develop training materials and resources on transgender issues, training materials on the Gender Equality Duty, research into women candidates' performance at local elections and seed corn funding to develop one organisation looking at issues around work and parenting, and to another that plans to explore the inequalities faced by men and boys.


## Building an effective EHRC

EOC staff and its Transition Commissioner on the EHRC, Jeannie Drake CBE, worked closely with the EHRC as it developed its thinking on **ways of working, organisation design and business planning priorities**.

The EOC gave considerable thought to how to ensure effective transfer of **EOC knowledge** to the EHRC and other relevant bodies to help ensure good historical records and no unnecessary loss of expertise in the transfer. It identified what information needed to be retained for historical record, what needed to be transferred to the EHRC and what might usefully be passed onto other stakeholders to help them influence the EHRC, and took appropriate action.

112 staff out of 148 elected to move across to the new body with 36 choosing to leave through the voluntary severance programme. The EOC continued to deliver a **training and development** programme to help staff with the transition.





# Strategies for achieving objectives

The EOC continued to work with others to achieve its mission through:

- **Agenda setting** – genuinely engaging the public, using its authority, research and expertise to lead the debate, getting buy-in from those who can make change happen.
- **Capacity building** – creating the tools that will help others to promote change, building partnerships and alliances to share good practice.
- **Enforcement** – using its legal powers fully and confidently, both powers to investigate discrimination and to support individual cases.

The EOC always recognised that its vision would only be achieved if others took action. That is why a strategy of persuasion was at the heart of the way the EOC worked. In all of its agenda setting work in particular, it aimed to make a persuasive case for change to others. It sought to persuade by demonstrating the importance of action, not just to deliver social justice and fair access to opportunity, but also because of the gains to the economy and individual businesses of realising women's economic potential; and because of the wider economic and social benefits of supporting and valuing the caring role that women, and increasingly men, are playing.


Furthermore, the EOC worked closely with government, employers and other key stakeholders, not just through formal influencing work, but also drawing them into projects from the beginning to help define issues and identify solutions. The Advisory Groups to general formal investigations proved particularly effective in ensuring recommendations were taken forward. For instance, the British Chambers of Commerce offered to carry out regional events to promote the benefits of flexible working to their members and organised a fringe event at the Labour Party Conference on flexible working.

The EOC's strategy of persuasion was even more critical during its final months as it worked to pass on a strong gender legacy to politicians, the public, other stakeholders and to the EHRC.

The EOC aimed to build a consensus, including a political consensus across the main parties, around the action required by government and employers. It sought to demonstrate how gender equality could help to alleviate many of the pressing social problems of the day e.g. enabling fathers to take a more active parenting role leads to better outcomes for children. The EOC also demonstrated how its work linked to other areas of equality. For instance, the EOC's work on pensions, caring and transforming the workplace all had links to the equality areas of age and disability.

Extensive and consistently positive media coverage of the EOC's work supported its strategy of persuasion. By politicising gender equality messages and demonstrating that real people were very concerned about these issues, the EOC's media work was successful in engaging media commentators and pushing gender equality up the political agenda.





## Measuring our success

During its final six months the EOC made further progress towards meeting its long-term goals.

One key measure of success was to what extent policy changes designed to promote gender equality were secured. The EOC's research and influencing work helped lead to significant changes in practice. The EOC succeeded in maintaining support for families as a major political issue, with both major parties recognising that balancing work and family responsibilities is a key issue for voters today. Indeed the Prime Minister announced in November 2007 that the government had decided to extend the right to request flexible working to all parents, a key goal for which the EOC has been lobbying for some time. Another example was the EOC's work to secure better pension provision for women and carers under the government's proposed pension reforms. An EOC inspired amendment to the State Pensions Bill, to allow greater flexibility in backdating National Insurance payments to help those who have taken time out from work to care for children and/or sick and older relatives, received an overwhelming endorsement in the House of Lords. The government agreed to consider the amendment.

The EOC's legal work also had considerable impact on the law as well as on practice. The high profile cases it supported have helped to increase wider understanding of legal rights and responsibilities through the publicity they have received.

In the past the EOC had commissioned independent polling to measure its effectiveness, but this would not have been appropriate in its final months. However, it was still possible to see visible progress. Taking media coverage of the EOC's issues as a measure, the EOC succeeded in maintaining family and caring policy high up on the political agenda as both main political parties sought to gain ground on this issue. The EOC was also in demand from government and other stakeholders as a valuable source of advice, including on pensions issues and issues affecting ethnic minority women, right up until the day it closed its doors.



## Management of risks and use of resources

The EOC had robust risk management processes in place. It managed risks by keeping its risk register under regular review by the Audit Committee and the Corporate Management Team, which met regularly. As risks inevitably increase in the transition to a new body, for its last six months it developed a specific risk register for transition activity, which was reviewed by the Audit Committee and the internal auditors and shared with the full Commission. In addition, the Chief Executive reported progress against business plan objectives and risks to every Commission meeting.

In accordance with the terms of its Management Statement, the EOC kept its sponsor department, the Department for Communities and Local Government, appraised of its risk management by regular meetings with senior officials and by copying to them Commission papers.

The EOC closely monitored its financial budget during this half year. The Departmental Expenditure Limits applied to the Commission for the half-year were £4.0025million, against which the Commission spent £3.945million; an underspend of £57,500 or 1.4%.





## Challenges, risks and planned future developments

On 30 September 2007 the EOC ceased to exist. Its role has been subsumed into the Commission for Equality and Human Rights, more usually known now as the Equality and Human Rights Commission (EHRC), established under the Equality Act 2006. There are therefore no future developments to report.



# Achievements against Corporate Plan objectives

## Realising women's economic potential

### The Corporate Plan goals and objectives: 2005-08

#### Long-term vision:

Women's **economic potential** would be realised, leading to higher productivity, with:

- equal pay
- a family friendly economy
- equal choice in education, jobs and leisure
- proper rewards for the skills in areas of work where women predominate, including the care sector
- equal power for women and men.

#### EOC 3 year objectives:

- Unlocking better paid areas of work for women through **transformation of work** by understanding women and men's changing career and caring expectations, finding solutions to the barriers perceived by key employers to changing work and identifying how schools and job centres can help.
- Ongoing action to **tackle pay discrimination and close the pay gap** by EOC identifying and successfully influencing for changes in policy by government, and practice by employers and unions, including more pay reviews/private sector duty.
- Action to tackle **occupational segregation** in construction, engineering, plumbing, ICT and childcare, as a result of delivery by government and employers of the EOC's February 2005 GFI recommendations.
- Action to understand why some groups of ethnic minority women succeed better in employment than others and so focus on which barriers need to be removed and how, so that the employment and pay gaps for e.g. **Pakistani, Bangladeshi and Black Caribbean women** can be closed and their potential (economic and personal) can be better realised.

- **Undervaluing of work** in certain sectors, including the care workforce, where women dominate pushed up the political agenda, as a result of the EOC's creating a better understanding of the causes and drivers for change.
- In Scotland and Wales, the EOC is working with the Scottish Parliament and the National Assembly of Wales to work to increase the number of **women in power**, particularly elected to political positions in national legislatures, local government and in public appointments.

### What the EOC achieved between 1 April and 30 September 2007

The EOC made considerable progress towards its objective of unlocking better paid areas of work for women by publishing a final report into the **transformation of work** and by taking forward recommendations in two earlier investigations – into the **pay and progression of ethnic minority women and into occupational segregation in work and in apprenticeships**. It completed important work, particularly in Scotland, to understand why women are often paid less in occupations where mostly women work – known as the '**undervaluing of women's work**'.

The **Transformation of Work** investigation took a fresh look at flexibility and explored how jobs could be redesigned to open up better choices and more productive businesses. By looking through the lens of key economic drivers – global competition, 80% employment rate, raising productivity, improving business bottom-lines – and combining this with new evidence on changing individual aspirations for flexibility, we hoped to identify how working time could be better organised to create wins for the economy, businesses and for individuals.



A lack of flexible working opportunities means a massive waste of potential, with many part-timers, most of whom are women, taking jobs below the level at which they are qualified. It is also a factor in the creation of occupational segregation, as many women have no choice but to work in sectors where flexible working is available in order to balance work and family responsibilities. The interim report published earlier in the year had found a massive waste of talent across the workforce. 6.5 million people in Britain today could be using their skills more fully if more flexible working were available, either by working at a level at which they used to work or simply returning to the workforce.

The investigation found that while flexibility was on the increase, change was not happening fast enough or in the ways that people wanted and that businesses could most benefit from. The investigation identified a need to move away from 'concessionary' flexibility, linked to women with childcare and caring responsibilities and associated with the 'mummy track' and career death. Instead, it identified the need for a move to a new generation of flexible working, open to all employees, aligned to business objectives and recognised as part of delivery solutions for innovative employers.

Four new models of work were developed through the investigation – 'Remote Controllers', 'Shift-Shapers', 'Time-Stretchers' and 'Timelords' – based on a recognition that while no one kind of flexibility is appropriate for all jobs and that different work functions have different time and location boundaries, there are innovative ways of opening up new forms of working in all types of work.

The final report of the Transformation of Work investigation was launched at Tate Modern on 14 June 2007 to an audience of 120 people with David Cameron, leader of the Conservative Party, British Chambers of Commerce and three employers – Mars, Woolley and Co. (a virtual law firm), and West Bromwich Tool and Engineering Co., a successful small business with over fifty different working patterns. The final report was accompanied by campaign materials – a transformation comic featuring employers – BT, HSBC, McDonalds and Woolley – with the 'T' Squad opening up new ways of working, a myth buster and top ten tips for transforming work.

The report made a number of recommendations for action and the EOC made early progress in taking them forward. In particular:

- Both government and opposition indicated support for the new models of working. The Conservative Party announced that it would extend the right to request flexible working to all parents – with consideration of extending to all workers. The government has since announced that the 'right to ask' will be extended to all parents. A review led by Imelda Walsh of Sainsbury's is now considering how best to introduce the new rights.
- The government agreed to sharpen the objectives of agencies advising on job choices and brokering work opportunities, to better match skilled people with jobs commensurate to their skills and open up wider flexible working opportunities.
- The Department for Business, Enterprise and Regulatory Reform indicated that it was interested in working to develop ideas on tax incentives for greater flexibility and the workplace makeover fund proposed in the final report.
- The report, the new flexibility agenda it advocates and the four new models of working have been widely welcomed by employers, major business organisations and those working for greater flexibility. The Confederation of British Industry and the Institute of Directors both endorsed 'open to all' flexibility, providing case studies of the business benefits.
- The EHRC has identified the transformation of work as a key objective and will take forward the development of an inter-active web site and guide for employers to open up new ways of working, based on the four models. There are plans to launch this with the Chartered Management Institute, the British Chambers of Commerce and the Confederation of British Industry in early 2008.

The EOC also continued to seek to stop **pay discrimination** and worked towards resolution of the issue of equal pay in local government and pressed for a Minister led task force to bring together stakeholders from across

local government to provide direction on swift and practicable progress towards equal pay. And in Scotland the EOC chaired and led **the Scotland wide equal pay initiative, Close the Gap**. The key priorities in this phase of the project were to focus on the pay gap in the finance and education sectors, both important sectors in the Scottish economy with particularly high pay gaps. The project worked with some private sector finance organisations developing good practice models on how to address the pay gap. In Wales the EOC contributed to the development and launch of the first social partnership agreement between the Welsh Assembly Government, the TUC and other stakeholders, which contains a commitment to tackling unequal pay.

The EOC followed up on the recommendations in its **investigation into occupational segregation, *Free to Choose: Tackling Gender Barriers to Better Jobs*** (published in 2005), many of which were endorsed by the Women and Work Commission and were included in the Government's Action Plan, responding to the Women and Work Commission's recommendations. Progress towards improving careers guidance to challenge stereotyping and widen choices was made in early August when the Department for Children, Schools and Families launched the new Careers Quality Standards. The EOC was on the Advisory Group and pushed hard to strengthen the content and wording, resulting in a specific high-level equality standard that cites the use of positive actions, taster sessions, the use of appropriate role models and work placements and a requirement for high quality, up to date information about the labour market including pay rates across different sectors.

Work on reducing segregation in apprenticeships continued and the EOC worked with the Ambassadors Network to update the diversity business case and to plan a national equality event, bringing together the occupational segregation and transformation of work agendas across all equality strands in early 2008. Sir Roy Gardner, CEO of Centrica and Chair of the Apprenticeships Ambassadors Network invited Trevor Philips to play a role in this.

The EOC also worked with the YWCA to support its new work on young women and apprenticeships. In June, the EOC inputted to a Round Table event at the House of Commons attended by John Healey and Bill Rammell, and provided data and ideas for a YWCA paper to the Department for Innovation, Universities and Skills Equality and Diversity Group (on which the EOC sat) calling for more action.

The EOC provided advice to the Women and Work Sector Pathways Initiative and, in April, gave a presentation to the project leaders on the use of positive action. This short-term initiative, aimed at attracting more women into non-traditional sectors, was funded by government in response to the Women and Work Commission.

The publication of the EOC report in March of its **investigation into the labour market position of Pakistani, Bangladeshi and Black Caribbean women** made a significant contribution to the EOC's objective to develop a greater understanding of why some groups of ethnic minority women succeed better in employment than others. Following the report's publication the EOC worked up an influencing strategy to help ensure that the EHRC was in a position to build on the investigation. This included a 'Promote people not stereotypes' campaign pack, which was launched at the Asian Women of Achievements Awards in May, and the publication of Workplace Culture research with its strong messages for employers. The research found that, although organisations may have extensive equality and diversity policies, there is an implementation gap between policy and practice. To make policies effective, they have to be embedded throughout all levels of an organisation and become part of the informal and formal workplace culture. The EOC developed a set of 10 guidelines for a diversity friendly workplace, broadly described as 'cultural intelligence', including the need to collect data and to have a diversity champion with authority and influence. The findings from this study had already been used extensively by the EOC in *'Moving on up? The way forward'*, and were used to provoke debate at a Citizens' Forum held with the Department for Work and Pensions in September.

The Forum provided an opportunity for the Ethnic Minority Employment Task Force and government ministers to hear directly from young ethnic minority women. The event allowed employers and ethnic minority women to feed into government policy with suggestions to help overcome the barriers that prevent ethnic minority women entering and progressing in the workplace. The event was timed to coincide with the publication of EOC funded polling which showed that public attitudes towards black and Asian women are stuck in the past. The polling showed that it is commonly believed that more white British women in work have degrees than ethnic minority women, when in fact only 24% white British women in work have a degree, compared to 35% Pakistani women, 32% Black Caribbean women and 30% Bangladeshi women. Another popular view is that Bangladeshi and Pakistani women do not have jobs because it's against their religion or culture for women to work outside the home, whereas EOC research found that 90% of Pakistani and Bangladeshi 16 year old girls said their parents supported their choice to combine a career with their family responsibilities.

**EOC Scotland** carried out a separate programme of work reflecting the different nature of the issues and separate policy frameworks that exist, while drawing on some of the Britain-wide findings. The investigation in Scotland focussed on **Visible Minority Ethnic Women (VME)** rather than the specific communities investigated in England and Wales. The report and separate recommendations were published in May 2007. Following the formal launch of the report and recommendations, EOC Scotland took forward a number of actions. **EOC Scotland** worked collaboratively with the Commission for Racial Equality to press the Scottish Executive for improvements in methods of data collection relating to gender and race, to ensure that VME women are clearly visible in national data sets. It carried out influencing work with the Scottish Executive with the aim of delivering a national race equality strategy, which recognises and responds to the needs of issues for minority ethnic women.

At the launch of the final report there was much support for the establishment of a Scottish network to support minority ethnic women in work, or aspiring to work. The

EOC brought together key stakeholders to support the development of a network for VME women, developed by VME women. The EOC expected this work to continue into the EHRC.

**In Wales** the research focused primarily, but not exclusively, on the largest ethnic minority groups in Wales – those from Black Caribbean, Bangladeshi, mixed race, Pakistani and Somali backgrounds. The report, launched in June, produced a real insight into the ambitions of ethnic minority girls, as well as painting a vivid picture of the obstacles holding them back from achieving their full potential. It highlighted a range of issues for communities and families, public services providers and employers, including limitations placed by family, faith and culture, the need for more role models and better careers advice and barriers encountered when seeking employment and fitting in at work.

In May the EOC published its first ever Scotland specific **General Formal Investigation looking at the pay and conditions of classroom assistants**. This investigation evaluated the role and grading of classroom assistants and contributed to the EOC's wider understanding of the **undervaluing of women's work**. It concluded that classroom assistants are undervalued in relation to their relative pay and status and that local authority employment practices have exacerbated this undervaluation. The lack of formal job roles linked to actual job demands, qualification and training is a key contributing factor to the undervaluation of classroom assistant jobs.

The EOC also used the findings of the investigation in Scotland to draw attention to the undervaluing of women's work as the missing link explaining the persistent gender pay gap, in particular the part-time pay gap. It set out the evidence of undervaluing in practice, the wider implications for employers, the economy and wider societal issues, including levels of poverty in Scotland. It set out how the EHRC and other bodies could take action to continue the current momentum and raise awareness of unfairness and inequality of undervaluing women's work and put in place mechanisms to achieve equal pay for women and men.

After the launch the EOC worked to build a coalition of partners in Scotland supporting the implementation of the recommendations,



and took steps to raise awareness of the findings from the investigation and put pressure on local and central government to take action to address the undervaluing of classroom assistants.

The EOC also published a document exploring the causes of the undervaluing of women's work, to raise awareness among opinion formers and government of the scale of the problem across England, Scotland and Wales. The research drew attention to a 'caring time bomb', as poor pay and staff turnover undermine the female-dominated caring professions, indicating that one of the reasons work traditionally done by women is undervalued is the stereotypical views of women in caring roles – that they are perceived as 'naturally' good at the job, with insufficient investment in or recognition of their skills.



## Caring shared and valued

### The Corporate Plan goals and objectives: 2005-08

#### Long-term vision:

Caring would be recognised and supported (practically and financially), with:

- real choice for men and women in how they share earned family income and looking after children or adult family members
- genuine choice in whether and how much to work
- real choice and support for carers of adults and those they look after, promoting independent living
- equal pensions for men and women.

#### EOC 3 year objectives:

- **Parents better supported in the first year and beyond**, through EOC with partners in Parents and Carers' Coalition, pressing for improvements in parental rights, including for fathers, and childcare strategy.
- **Enabling men to take a greater caring role** by EOC identifying and pressing for the removal of inflexibilities in leave, work patterns, pay and public services which act as barriers to their parental role.
- **Ensuring support for older people is higher up the political agenda** through the EOC influencing for specific government commitments to long-term strategies to improve support for both carers and those they care for.
- EOC analysis and influence gain government commitment to measures, which provide adequate pensions for parents and carers.

### What the EOC achieved between 1 April and 30 September 2007

The demands of caring, which still fall disproportionately upon women, are one of the three major causes of the gender pay gap. So the EOC campaigned for changes in working practices and to the welfare state that would make it easier for the modern family in all its

shapes and sizes to combine work and caring for children or disabled, sick or frail adults.

Increasingly, caring is an issue for men, not just women, with men wanting to take a more active role in parenting. Women gain when men do take on more caring responsibilities, not least by making it easier for women to realise their full economic potential. The EOC therefore highlighted the pace of social change and the need to support fathers as well as mothers. Its focus on these issues helped to make support for the modern family a key political issue, as both major political parties sought to demonstrate from the top that they have effective policies on work life balance and supporting families.

The EOC published a policy leaflet highlighting findings from the Millennium Cohort Survey (MCS) on fathers for Fathers' Day in mid June. The findings showed that the multi-faceted nature of contemporary fatherhood goes well beyond the traditional provider role. Fathers' wellbeing and behaviour affects their children's behaviour and although most fathers had a warm relationship with their child and were regularly involved in playing and reading with them, many felt that they did not spend enough time with their young child.

In September the EOC published two further policy leaflets, which looked in detail at analyses of the Millennium Cohort Survey. *Mothers and the modern family* examined the situation of mothers with young children. It showed that the debate about how families combine work and caring is a complex one, and that a divide exists between 'have' and 'have not' families on low incomes, which poses a significant challenge for policy makers and society as a whole. *Ethnicity and patterns of employment* and care explored the different ways in which ethnic minority parents combine working and caring. It showed that there is no single story about employment and caring within, or between, ethnic groups in modern Britain and cautioned against generalised analysis or solutions. Working parents from ethnic minority backgrounds had less access to maternity pay, paternity leave and flexible working options. The EOC hoped these leaflets would make a useful contribution to informing future EHRC and others' work in these areas.

The EOC also published research, *Supporting parents and carers*, which both examined the underlying philosophy to current strategies on parents and carers, and how a strategy to support parents and carers that also worked to reduce gender inequalities might look in Great Britain. The report found that issues need to be addressed across a range of key policy areas, including labour market conditions, the provision of care, the childcare and social care workforces, public responsibility for care, and funding. The EOC hope this research would also be useful for the EHRC as it continues to work on these issues.

The EOC responded to the government's further consultation on **Additional Paternity Leave (APL)**, part of the secondary legislation emerging from the Work and Families Act 2006. The legislation aims to enable fathers to take extended paid leave to care for a baby where their partner returns to work before their entitlement to maternity pay and leave has fully expired. The EOC welcomed the proposal, but pressed for earlier implementation than currently planned (April 2009) and for higher levels of paid parental leave.

Women currently receive a far lower income in retirement, on average than men, largely because of their caring role. The EOC made considerable progress in its objective to gain government commitment to measures that provide **adequate pensions for parents and carers**.

The EOC organised and chaired a meeting of the **Women's Pensions Network** on 25 April, attended by James Purnell, the Pensions Minister, to discuss the increased flexibility it would like to see for people to save into Personal Accounts. As the government was resisting EOC proposals, the EOC focused its influencing work on pensions modelling to look at specific options to make it easier to save.

To illustrate concerns about gaps, especially for those approaching retirement, in the Government's White Paper proposals for **Personal Accounts**, the EOC, working with Scottish Widows, published on 11 June a report commissioned from the Pensions Policy Institute. This looked at the impact of changing the trivial commutation and capital disregard

rules on current pensions so as to illustrate how possible changes in these rules might increase the likelihood of it paying to save for more individuals under the proposed new system.

The EOC's influencing work also helped deliver the overwhelming endorsement by the House of Lords (176 votes to 89) of an EOC inspired amendment to the State Pensions Bill to allow greater flexibility in backdating National Insurance payments. This will help those who have taken time out from work to care for children and/or sick and older relatives. The government agreed to consider the amendment. The EOC worked with stakeholders to ensure that the Women's Pension's Network would continue once the EOC closed its doors.



## Better public services and policies

### The Corporate Plan goals and objectives: 2005-08

#### Long-term vision:

Public services and policies would meet the different needs of diverse women and men, with:

- equal access
- policy and services tailored to different needs
- better employment practices delivering greater productivity and equality
- real choice for ill, frail and disabled people about care arrangements, including independent living.

#### EOC 3 year objectives:

- Majority of public bodies see the duty as an opportunity to **improve their performance**.
- The majority of public bodies set **challenging targets**.
- **EOC codes of practice and guidance documents** are well received.
- General and specific duties that are finally agreed are outcome-focused.

### What the EOC achieved between 1 April and 30 September 2007

Key to improving public services and policies is implementation of the new Gender Equality Duty. This is the most significant change in sex equality law for thirty years, with far-reaching implications not just for the employees of the public sector but for the users of services. It should make a major contribution to closing the pay gap.

The Gender Equality Duty (GED) came into force in April 2007 with general and specific duties that are outcome-focused. The accompanying Codes of Practice and guidance were well received.

A major part of the EOC's awareness and influencing focused on encouraging all public bodies to set challenging gender equality targets that will really make a difference. Through one-to-one meetings, conference presentations and the statutory Code, the EOC gave strong messages that setting challenging objectives is at the heart of the gender equality duty and that public authorities should be setting a small number that will have a substantial impact. The EOC held a round of promotional conferences and stakeholder events across England, Scotland and Wales. On 23 June it launched guidance on procurement at a joint conference with the Improvement and Development Agency, the Commission for Racial Equality and the Disability Rights Commission. The EOC also launched printed guidance on the duty for the voluntary sector, which was distributed widely.

The EOC developed a monitoring and enforcement strategy, which identified priority themes and sectors and handed this work programme over to the EHRC in October 2007. To prepare for the transition of this work to the EHRC, the EOC worked closely with the Commission for Racial Equality and the Disability Rights Commission teams responsible for the race and disability duties.

Before closing its door the EOC completed preliminary appraisals of its top priority central government departments and followed this up with targeted letters. It carried out an appraisal of a sample of 70 local government Gender Equality Schemes to assess the extent of their action in tackling the causes of the gender pay gap. The EOC also received reports of non-compliance from external stakeholders such as unions, which it investigated, and created a pack of GED letters for individuals to use with public authorities.

In September the EOC published a **research report on gender and attainment in schools**, *Breaking down the stereotypes: gender and achievement in schools*. The research showed that the emphasis in recent years on boys' underachievement has resulted in an oversimplified view of the gender gap in educational achievement. The report demonstrated how social class significantly impacts on educational achievement levels.

**In Wales** the EOC participated in a high-profile launch of the Welsh Assembly's gender equality scheme and published a supplement with the Western Mail and other local papers to publicise the implementation of GED. And it facilitated with the Disability Rights Commission a round table discussion with disabled ethnic minority women at a conference, which aimed to identify service and information needs and obtain views on barriers facing ethnic minority disabled people.

**In Scotland** the EOC worked on promotion of GED and monitored and made preliminary assessments of the 280+ Gender Equality Schemes produced. The results of this exercise were passed on to the EHRC to take forward.



## Eliminating discrimination

### The Corporate Plan goals and objectives: 2005-08

#### Long-term vision:

To **eliminate discrimination** there would be:

- effective, consistent and modernised discrimination and human rights legislation
- an effective single equality and human rights body
- employers and employees aware of their rights and responsibilities with expert advice available when needed
- an end to institutional gender discrimination.

#### EOC 3 year objectives:

- **Increased compliance, and clarification and development of the law** as a result of EOC's formal investigations and other enforcement powers which challenge sex discrimination in key areas.
- **Sexual harassment and pregnancy discrimination in the workplace** is reduced, as a result of EOC enforcement, influencing and development of capacity building tools and guidance.
- An increase in the number of employers, trade unions, advisers, employees and members of the public with **access to accurate and clear advice on rights and responsibilities** through EOC website, Helpline and transfer of expertise to other advisors.

### What the EOC achieved between 1 April and 30 September 2007

The EOC carried out follow up work to its formal investigations into sexual harassment in the **MoD** and the **Royal Mail** and reached an agreement with the **Prison Service** to suspend the formal investigation into sexual harassment. Work with all three organisations will continue into the EHRC under the binding agreements with each. The agreements are due to expire June 2008, December 2008 and November 2009 respectively.

The MoD reviewed its Harassment Complaints Procedure, reflecting the comments and suggestions made by the EOC. The review was a considerable undertaking involving a large number of stakeholders, including the three Services, the MoD Civil Service, their respective legal staffs and the trades unions. The EOC also received the first progress report on Phase Three of the MoD/EOC Agreement on preventing and dealing with sexual harassment in the Armed Forces.

In June the **Royal Mail** delivered an update to the EOC on its progress in tackling sexual harassment. Its report showed encouraging signs of progress:

- The rolling annual survey of all employees showed a drop in the numbers of women who said they have been harassed on the grounds of their sex.
- There was also a drop in the numbers of formal complaints of sexual harassment. The numbers of trained independent harassment investigators had risen and they now handle all harassment complaints.
- Feedback from the Listener Pilot Scheme was very positive and it was decided to extend this to a further nine areas. The scheme aims to encourage victims of sexual harassment to come forward by providing a 'listener' (a local person with counselling skills whose photograph and contact details are visible, and who acts as a bridge to other sources of help).

In April, the EOC launched an investigation into sexual harassment in the **Prison Service** and immediately suspended it, as the Prison Service put forward an acceptable initial action plan. The action plan included work to drive through significant cultural and organisational change through a People Strategy, the introduction of a revised complaints and discipline procedure with an associated training package for managers, and a new IT system which will greatly improve the Service's ability to capture and analyse staff complaints and grievances. The Prison Service has monitored levels of sexual harassment and complaints, presenting the initial findings to the final Commission meeting in September. The Prison service is in the process of agreeing, with the EHRC, an action plan to eliminate sexual harassment.



The EOC pursued agreements with individual companies on issues relating to equal opportunities policies and training, management of pregnancy and maternity absence, sexual harassment and transparent pay systems. These agreements usually followed on from the organisation losing an ET case and took the form of an agreed action plan to revise and update their employment and training procedures. During this period the EOC signed one agreement and was in the process of negotiating a second. This work will continue into the EHRC.

Following the EOC's **successful judicial review of the government's implementation of the Equal Treatment Amendment Directive**, the Government was due to draft new Regulations to amend the Sex Discrimination Act to reflect the judgment of the High Court.

Research commissioned by the EOC from Manchester Business School was published on the EOC website. *Sexual harassment in the workplace: a literature review*, maps what has been published on this persistent form of discrimination, and this work should provide a useful knowledge base for the EHRC, not least in identifying gaps in research.

The EOC also assisted a small number of **strategic legal cases** where it sought clarification of a number of important points of law relating to pay and pregnancy discrimination or where the issues were of wider significance. Those that were not completed by 30 September were passed on to the EHRC to take forward.

**Ms Farooq v Rosemount Pharmaceuticals Ltd** raises interesting questions of discrimination on return to work from maternity leave and multiple discrimination. Ms Farooq claims that she received detrimental treatment during her maternity leave, culminating in being made redundant. She also claims victimisation as a consequence of raising an earlier grievance of race and sex discrimination. The case was re-listed for a 5-day hearing at Leeds Employment Tribunal in January 2008, due to the number of witnesses to be called by the respondents.

**Ms Tofeji v BNP Paribas**, raises two important points of law in relation to pregnancy/maternity. Ms Tofeji was employed by BNP Paribas as

a senior dealer in sales of foreign exchange for Germany and Austria, based in London. Upon her return to work from maternity leave, Ms Tofeji claimed clients were not returned to her, she was refused flexible working hours and that she experienced a hostile reception from her colleagues. She resigned, claiming constructive dismissal. Ms Tofeji lost her tribunal case and the EOC was supporting her appeal.

The EOC made a contribution to the appeal in **Chief Constable of West Midlands Police v Ms Manley** because it raises the important question of the objective test an employer is required to meet when raising factors in defence of unequal pay. This appeal to the Employment Appeal Tribunal concerns the use by the West Midlands Police of criteria for the award of a 'special priority payment', which excludes part-time workers. Although the claimant acknowledges that the aim of compensating workers for the physical impact of night shifts is legitimate, she argues that there is a need for employers to consider less discriminatory means of achieving such an aim. The hearing was postponed until after the end of September 2007.

**Redcar & Cleveland Borough Council v Bainbridge and Others**, raises issues in relation to pay protection schemes. The EOC supported this case because it sought to clarify current law and enable employers to implement equal pay in a practicable way. Transitional arrangements are a vital tool to implement equal pay, but they must be free from discrimination. The EOC also supported this case to clarify whether a woman can claim equal pay with a male comparator who receives higher pay than she does, notwithstanding that he has been rated lower in a job evaluation scheme.

The Court of Appeal heard the comparator issue on Tuesday 24 July and reserved judgment. The pay protection point was postponed so as to be heard by the Court of Appeal together with the *Middlesbrough BC v Surtees* case in January 2008.

Taking forward recommendations from its investigation into **pregnancy discrimination**, the EOC launched the bilingual **Pregnancy Toolkit** for employers in **Wales**. The GB-wide toolkit was launched at the end of March with

campaigning work taking place throughout the EOC's final six months. The toolkit, which was developed in partnership with the Welsh Assembly Government, supports the Welsh Assembly Government's new Pregnancy Book, which includes a tear off section for employers, advising them of their responsibilities and available guidance.

The EOC continued to campaign for modernised equality laws and welcomed the opportunity to respond to the Discrimination Law Review's Green Paper, *A Framework for Fairness*. It supported the objectives of making the law simpler and more effective, but was concerned that significant opportunities to tackle deep-seated inequalities were missed. The EOC was particularly concerned about:

- **Equal pay**, where in its view the proposals would not tackle the systemic pay problems that help maintain the gender pay gap, with women earning 17% per hour less than men (38% less if they work part-time), causing a £300,000 lifetime loss to the average woman. The EOC's view was that new ways are needed to tackle systemic pay inequality effectively, and it wanted to see an obligation on employers to identify, by means of an equality check, any gender pay gap within their workforce and be required to take action to tackle its causes. Where one of the causes of a pay gap was pay discrimination, they would be required to carry out an equal pay review and develop an action plan to eliminate unequal pay, and might thereby be able to qualify for a protected period. There are already positive duties on the public sector to take action to secure equality and the EOC believed there was a strong case for a similar approach in the private sector, where the gender pay gap is almost nine percentage points higher than in the public sector.
- The chance to **modernise protection for people with caring responsibilities**, which the EOC felt had been missed. The current law provides limited protection and the EOC wanted to see the right to request flexible working extended to all workers and the public equality duty explicitly covering people with caring responsibilities.

- **Public sector equality duties**, where there appears to be potentially a significant weakening of the existing framework.
- The **European Gender Goods and Services Directive** and related proposals are vital if gender discrimination in the access to and supply of goods and services is to become unacceptable and transgender people are to have full equality. The EOC was concerned about exemptions.
- The absence of a **purpose clause** for the Single Equality Bill. By making it clear that the Act is intended to tackle disadvantage, social exclusion and systemic discrimination, a purpose clause would encourage those covered by the law to view it positively and purposively, help courts to interpret the law and help employers and service providers to understand their responsibilities.
- The absence of proposals to enable the law to tackle **intersectional discrimination** effectively. The EOC considered that this was of growing importance and the law currently fails to give equal protection to some of the most vulnerable groups.
- Opportunities to improve **access to effective justice**, such as representative actions, have been missed.

The basic principles that the EOC would have liked to see underpinning the legislation are that the Single Equality Act should be:

- **Outcome-focused** – its purpose should be to promote substantive equality and to eliminate systemic discrimination as well as discrimination against individuals.
- **Equally protective of all the strands** – it should harmonise equality and anti-discrimination provisions up to the highest standard to give all protected persons equally comprehensive rights.
- **Positive** – it should promote respect for the equal dignity and worth of each individual.
- **Proactive** – it should place the onus for achieving equality and eliminating discrimination primarily on political, economic and social institutions.
- **Accessible** – it should set standards that are clear, intelligible and consistent.

- **Enforceable** – it should be capable of being effectively and efficiently enforced when necessary, with accessible, effective and timely means of securing redress for individuals and, where appropriate, groups of individuals.
- **Inclusive** – it should provide opportunities for individuals and communities to engage in the process of change and participate in decisions that affect their lives.

The EOC regarded the Discrimination Law Review (DLR) and the proposed Single Equality Bill as potentially significant steps towards creating a more positive, simpler and effective legislative framework.

## Advice and Training on Rights and Responsibilities

The EOC's Transfer of Expertise teams in England, Scotland and Wales continued to engage with an increasingly diverse range of front-line advice organisations, widening the availability of up-to-date expert advice on the employment rights aspects of the Sex Discrimination Act and the Equal Pay Act. Raising awareness of the new Gender Equality Duty in England continued to be a priority and the Transfer of Expertise team distributed advisory leaflets to relevant audiences in the public sector.

Taking every opportunity to work in partnership with other equality strands, the Transfer of Expertise teams in England reached over 3000 delegates in their target audiences, at conferences, workshops and training seminars. A strategy to print and distribute large numbers of EOC advice products for young people, reaching a further 5000 individuals from a wide range of organisations, resulted in a record number of requests for these publications in the closing months of the Commission's life.

The EOC's messages were also incorporated into the final report of the Public Legal Education Task Force sponsored by the Ministry of Justice.

The England team also provided training in the Sex Discrimination Act for the new EHRC

helpline staff recruited before the EHRC was launched.

EOC Wales supported the course, developed in partnership with Cardiff University, to train advisors on discrimination law and tribunals. The accredited course was run in Cardiff and Bangor, providing places for 50 Citizen Advice Bureau advisors and Trade union representatives. EOC Wales also worked in partnership with the Wales TUC through the DTI funded Equal at Work project, providing training on equality legislation, particularly on the public duties to trade union representatives.

The **EOC Helpline** continued to offer a specialist service between April-September 2007, providing advice and information on sex discrimination and equal pay. During this period priority was given to the development of the new helpline service for the EHRC, and resources were allocated to this crucial area of work. As a result the adviser service was reduced, particularly in the second quarter, in order to focus on staff training and development for the new roles. Throughout the period the Helpline offered a phone and email service, highlighting potentially strategic cases and providing an essential switchboard service to the whole Commission.

Access to the **EOC's main website** continued to the very last day of the EOC's existence, providing a 24/7 information service to a wide range of audiences. Traffic was up more than 80% for this period compared with the previous year, with monthly visits averaging 350,000 compared with 190,000. The websites for legal advisors also offered valuable support to specialist legal practitioners, with monthly visits in the region of 70,000 compared with 50,000 for the same period in the previous year.

As usual the EOC undertook a number of new web developments, including the creation of a micro site for the EOC's Gender Agenda, which was externally hosted until the end of 2007 to cover the transition period into the EHRC. During the first month after launch, there were over 6,000 visits to Gender Agenda information on either the micro site or the main site, plus over 10,000 downloads of the Gender Agenda booklet and over 4,000 of the accompanying Gender Equality Index.



As well as continuing to develop and promote EOC websites, during this period the EOC also contributed a significant amount of time and input in building the new EHRC website, to help ensure that a website was up and running from day one of the new Commission.

The EOC was committed to providing a high quality service to everyone it dealt with. In order to do this it invited comments on its service. The EOC's quality of service **complaints procedure** was set out on its website. It was a three-stage procedure and in the final stage the complaint was referred to the Chief Executive. From the period April to the end of September 2007 no complaints were referred to the Chief Executive.



## Commission for Equality and Human Rights (EHRC)

### The Corporate Plan goals and objectives: 2005-08

#### Long-term vision:

A Commission for Equality and Human Rights uses proactive and effective work practices to reduce discrimination of all types and create genuine equality for women and men and transsexual people.

Improved equality legislation that is consistent, modern and effective.

#### EOC 3 year objectives:

- **EHRC's first strategic plan sets challenging sex equality strategy and targets based on evidence and analysis.**
- **EOC staff are well equipped** for a smooth transition into the new body.
- **EHRC is set up to succeed**, with the confidence of key gender and other stakeholders.
- Government introduces a **Single Equality Bill** with modernised, effective provisions across all strands that will, in particular, help achieve sex equality.

### What the EOC achieved between 1 April and 30 September 2007

To help ensure the Gender Agenda remained high on the political and wider agenda and that its legacy would live on, the EOC developed and launched a '**Gender Agenda**', which was published on 24 July at a high profile stakeholder event. The Gender Agenda set out 10-year strategic goals. These goals, which were developed after consultation with stakeholders, were:

- Closing the income gap between women and men.
- Giving better support to modern families.
- Modernising public services so they meet women's and men's needs.
- Providing equal access to justice and safety.
- Sharing power equally between men and women.

Transgender people face additional problems, so there was an extra goal for them over the next 10 years:

- Respecting transgender people so they have equal rights and access to services.

The Gender Agenda booklet included the Gender Agenda Index of key indicators of sex equality across the five gender agenda themes and set out clearly that, despite progress, politicians, employers and other stakeholders all have a significant task ahead it to complete ‘the unfinished revolution’. Also launched at the same time was an interactive online quality of life MOT for individuals to assess how sex inequality affects their lives. A short film setting out the impact EOC’s achievements have had on individuals was also played at the launch event. The launch event, at which Harriet Harman gave the keynote speech, was very well attended. The Gender Agenda gained widespread media coverage and sparked off a wider debate.

The EOC also worked with stakeholders to help **build a wider gender lobby** for the future, tapping into governmental and non-governmental organisations’ work examples included:

- Working families and the Parents and Carers coalition committed to take forward work on families and caring.
- Interest from the Office of Disability Issues in the EOC’s Transformation of Work agenda.
- The Women’s National Commission agreed to consider using the Gender Agenda Index in their reports on the Government’s implementation of the Convention on the Elimination of Discrimination against Women.

The EOC also funded a small number of organisations to take forward specific projects under its Gender Agenda themes. This included funding to develop training materials and resources on transgender issues, training materials on the Gender Equality Duty, research into women candidates’ performance at local elections and seed corn funding to develop one organisation looking at issues around work and parenting, and to another that plans to explore the inequalities faced by men and boys. A total of £40,000 was awarded for these purposes.

In addition, the EOC contributed specific proposals for projects to the EHRC’s interim business plan and worked with it to ensure a smooth transition for ongoing enforcement work on the Gender Equality Duty and suspended formal investigations. For each investigation, it was agreed that one of the EOC’s nominated Commissioners would continue to act as nominated Commissioner in the EHRC for a transitional period.

The EOC succeeded in transferring a cadre of well-motivated staff, with only 36 choosing to leave through an Early Exit Scheme. The Early Exit Scheme was designed to open up vacancies for staff working outside the existing Commissions with an expertise in the new areas of work of the EHRC, to make the transition easier, reducing the need for compulsory redundancies, and to help to maintain business continuity, as in order to qualify staff had to remain in post until 30 September.

The EOC continued to deliver a **training and development programme to help with the transition**.

During its final six months of existence the EOC continued to work very closely at all levels with the EHRC to **help build the new body**, including through its Transition Commissioner on the EHRC, Jeannie Drake CBE.

The first stage of the assimilation process for transferring staff across to the new body was successfully completed.

The EOC gave considerable thought to how to ensure effective transfer of **EOC knowledge** to the EHRC and others to help perpetuate the EOC’s legacy. It deposited a wide range of publications in the Glasgow Women’s library, the National Women’s library in Wales, the Modern Records Office in Warwick (the national equal pay archive), the Metropolitan University library in London (where the TUC archives are). All the Commission papers and its related sub-committees went to the National Archives, along with a batch of papers containing information on around 250 individual legal cases the EOC had supported, where the individuals concerned had waived their rights to anonymity. The EOC also worked with

EHRC on an oral history project to capture knowledge from key staff that did not transfer.

In the policy and legal areas in particular the EOC drew up both **strategic handover documents**, and more detailed **work plans** setting out key milestones, issues and interventions that the EHRC would be likely to have deal with in its early months, along with a recommended course of action. Where possible these were discussed with the new Group Directors.

**In Scotland** an intensive programme of joint work with the Commission for Racial Equality (CRE) and the Disability Rights Commission (DRC) took place in preparation for the EHRC. The EOC, CRE and DRC Scotland Directors gave well-received presentations on their proposals for Scottish organisational design and cross-border governance good practice to the CEO of the EHRC and the consultants engaged to help draw up the organisational design of the new body. Similar discussions took place in **Wales**.

As part of an agreed strategy with the EHRC of seeking to secure a good ending for the EOC and a good beginning for the EHRC, the EOC held a **celebration of its work** with staff and those Commissioners who were able to attend on 20 September in Manchester. The first Chair of the EOC, Betty Lockwood, attended and the event looked over the EOC's 32 years, as well as looking ahead to the work of the EHRC.



# EOC governance arrangements and use of resources

The Equal Opportunities Commission (EOC) was a non-departmental public body, established in 1975 by Section 53 of the Sex Discrimination Act (the Act).

The EOC's duties under the Act were:

- To work towards the elimination of discrimination.
- To promote equality of opportunity between women and men.
- To promote equality of opportunity in the field of employment and of vocational training for persons who intend to undergo, are undergoing or have undergone gender reassignment.
- To keep under review the working of the SDA and the Equal Pay Act 1970 and, when required by the Secretary of State, or when it thinks it necessary, to draw up and submit to the Secretary of State proposals for amending them.

In addition the EOC was required, in consultation with the Health and Safety Commission, to keep under review the legislative provisions dealing with health and safety at work, which required different treatment for men and women.

The Act also *allowed* the Commission to conduct formal investigations and to make recommendations.

The EOC was financed by Grant-in-Aid from the Department for Communities and Local Government (under the Tackling Disadvantage heading in the CLG's Request for Resources 1 to HM Treasury).

## Commission members and their responsibilities

Under Paragraphs 3 and 4 of Schedule 3 of the Sex Discrimination Act (the Act), Commissioners were appointed by the Secretary of State. The following served as members of the Commission during this period:

Rowena Arshad

Duncan Fisher

Evelyn Asante-Mensah

Deborah Mattinson (until 23 July 2007)

Sue Ashtiany

Frances Hasler

Mohammed Aziz

Catherine Brown

Fiona Cannon

Jenny Watson

Kay Carberry CBE

Jeannie Drake CBE

Surinder Sharma

Neil Wooding

Jenny Watson was Chair of the Commission and Fiona Cannon was Deputy Chair.

Paragraph 5 of Schedule 3 to the Act made provision for the payment to Commissioners of such remuneration, pensions, allowances or gratuities as the Secretary of State with the consent of the Minister for the Civil Service, may determine. Details of Commission members' remuneration are shown in the Remuneration Report.

The Commission maintained a Register of Interests of its Commissioners. Copies of the Register were available on application by post until the end September 2007 and can still be obtained from the Commissioners' Office at the EHRC.

The responsibilities of Commissioners were to:

- Establish the Commission's vision and strategy and agree policy on major new areas.
- Agree the corporate and business plans and budget and ensure that these were consistent with the Commission's overall purpose and statutory role and sensitive to the context of devolution.
- Monitor progress against plans and evaluate strategy.
- Ensure good corporate governance.
- Approve the support of individual legal cases.

Caroline Slocock was Chief Executive throughout this period.



## Resources

The EOC operated from premises in Manchester, London, Cardiff and Glasgow. [Notes 8 and 9](#) to the accounts detail the tangible and intangible assets of the organisation, while [note 1k](#) explains the disposal of premises as a result of the creation of the EHRC. [Note 5](#) explains the staff numbers. The skills and experience of the EOC's staff was its major asset as an influencing and enforcement organisation.



## Research and development

The EOC commissioned no research during this period, but published some commissioned in the previous year.



## Financial position

Grant-in-Aid, unlike other income, is treated as financing and taken straight into the Balance Sheet Reserves. Cash Grant-in-Aid for the six months to 30 September 2007, taking into account the amounts required to meet the EOC's liabilities falling due in that period, had already been included in the Department

for Communities and Local Government's estimates for the year, which have been approved by Parliament.

## Results for the six months ended 30 September 2007

The income and expenditure account showed a deficit of £3,945K for the period. The deficit on the Income and Expenditure account is due to the fact that the EOC's principal source of income, Grant-in-Aid (£4.0025 million for this period), is treated as financing and does not appear on the Income and Expenditure Account. The EOC was committed to carrying out its duties to the highest standards whilst ensuring the costs of its work were kept to a minimum.

Because under the terms of the Transfer Order made under the Equality Act 2006, the EOC's assets and liabilities transferred automatically to the EHRC, it was accordingly considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## Changes in fixed assets

The only major change was that the early start on the refurbishment of the Manchester EOC office to prepare it for the transfer to the EHRC meant that the EOC had to write off the costs of partitioning on one floor (£73k). In addition, some fixed assets were donated to charity – see next page.

## Cash flows

The Commission was required to draw down Grant-in-Aid, its principal source of income, on the basis only of need. Accordingly it operated to minimise the amount of cash on hand throughout the year, consistent with the need to cover contingencies arising from inflows from other sources and unexpected outflows. At the year-end, cash on hand and at bank was £632k, representing 8.1% of all income and other financing inclusive of Grant-in-Aid.

## Funding to external bodies

The EOC funded a small number of organisations to take forward specific projects under its Gender Agenda themes. The following table gives details of these funding arrangements.

Organisation	Funding	Project
The Men's Coalition (Men's Health Forum)	£10,000	Scoping to assess pressing policy issues that lead to inequalities for men and boys.
Glasgow Women's Library	£4,000	Development of guidance and database for access by public sector bodies for consultation on Gender Equality Duty priorities.
The Women's Resource Centre	£4,000	Training to women's organisations on how to use the Gender Equality Duty to encourage those subject to the duty to improve services.
Centre for Women and Democracy	£5,000	Research on how women have performed in local government elections.
Commission for the First Year (Fathers Direct)	£8,000	Start-up funds to ensure longer term funding for project which will be focusing on parenting and work during a child's first year.
Press for Change	£5,000	Developing online resources to help transgender people through transition.
Scottish Transgender Alliance	£4,000	Development of training materials and resources on transgender issues relating to employment and service delivery for public and private sector organisations.

## Charitable donations

The only charitable donation made by the EOC in this period was the donation of the London Office furniture to three registered charities, having first ascertained that it was not needed by the EHRC. The furniture was then written off (<£5k) in the EOC's accounts.

## Pension benefits

Pension benefits for employees were provided through the Civil Service Pension Scheme arrangements. Information about how pension liabilities were treated is given in [note 5](#) to the Statement of Accounts and in the Remuneration Report.

Further details of the Civil Service Pension Scheme arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

## Payment of creditors

The EOC aimed to pay its bills in accordance with the contract or within 30 days if there was no specific provision in the contract. Sample testing during April to August (5 months) showed 98% of invoices were paid within this target.

## Accounts Direction

This statement of accounts which follows is prepared in a form directed by the Secretary of State for Communities and Local Government with the consent of the Treasury and in accordance with the Sex Discrimination Act 1975.



## Auditing of the accounts

An Audit Committee reviewed the work of management to ensure that adequate controls were in place within the organisation. The Audit Committee ensured that risks were identified and managed, and that governance arrangements met the required standards. It advised the Accounting Officer on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control in the organisation.

For the period 1 April to 30 September 2007 the members of the Audit Committee were:

Jeannie Drake CBE (Chair)

Kay Carberry CBE

Rowena Arshad

Duncan Fisher

Catherine Brown

During the last six months the committee met on 3 occasions to consider audit and management reports and the 2006-07 annual accounts, and reported to the Commission on its recommendations and its monitoring activities at the June 2007 meeting.

The accounts were audited by the Comptroller and Auditor General who is appointed under statute and reports to Parliament. The work was carried out on his behalf by the National Audit Office. The cost of their audit work performed in respect of this period was £28k.

## Statement on the disclosure of information to auditors

As far as I am aware, there is no relevant audit information of which the EOC's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the EOC's auditors are aware of that information.

## The EOC's impact on the environment

The EOC was conscious to preserve the environment and sought to avoid wasting energy and materials, recycling materials wherever possible and using video conferencing extensively to minimise carbon footprint.

## Employee involvement

Effective communication with staff was a key factor in the EOC's success in achieving business objectives and in developing its own positive culture. Managers held divisional and team briefings and Information Technology was used extensively for staff communication across our four sites. The CEO also held regular meetings with all staff in different locations and met individual teams too. As transition with the EHRC approached, the senior management team involved the full management team in drawing up its transition plan. A newsletter on developments in the transition process was sent regularly to all staff by the Transition Manager.

The EOC recognised the Public and Commercial Services Union (PCS) for collective bargaining purposes on behalf of all staff.

## Analysis by gender, disability and ethnic monitoring of staff employed by the EOC

	Total	%	AO		PA		EO & Equiv		HEO & Equiv		SEO & Equiv		G7		G6	
			No	%	No	%	No	%	No	%	No	%	No	%	No	%
Gender																
Female	136	82	14	70	11	100	32	87	29	78	20	80	26	90	4	67
Male	29	18	6	30	0	0	5	13	8	22	5	20	3	10	2	33
<b>Total</b>	<b>165</b>		<b>20</b>		<b>11</b>		<b>37</b>		<b>37</b>		<b>25</b>		<b>29</b>		<b>6</b>	
Disabled																
<b>Total</b>	<b>15</b>	<b>9</b>														
Ethnic Origin																
White	155	94														
Non-White – Mixed, Asian Black & Chinese	10	6														
<b>Total</b>	<b>165</b>															

### Notes:

This data comes from the analysis carried out in January 2007 (and reported on in the EOC's 2006-07 Annual Report and Accounts) since it was not possible to repeat the exercise in this shortened period because all efforts were focussed on preparations for the EHRC.

Normally the EOC undertook a full analysis of its workforce by gender, religion and belief, sexual orientation, ethnic origin, disability and transgender, categorised by grade in January of each year.

Ethnic Origin was recorded and analysed using the census categories as recommended by the Commission for Racial Equality. However, as overall staff numbers were small and it is possible that individuals could be identified

from the figures, the EOC has not published all the information gathered.

Of staff from AO grade to Grade 7 (excluding PA grade) 9% identified themselves as having a disability. Of those who identified themselves as being Black or from an ethnic minority group, 4% fall into the Black category, 1% fall into the Asian category and 12% into both the Mixed and Chinese categories. There was representation from BEM groups from AO grade to Grade 7 (excluding HEO grade), although the majority are in the AO to EO grades.

Figures excluded the Chair and the Chief Executive and secondees not employed directly by the EOC.





## Recruitment

The EOC was an equal opportunities employer and positively promoted diversity and equality of opportunity and actively welcomed applications from all groups and both genders. It took care to ensure that recruitment information was as accessible as possible. Whilst it continued to seek a more diverse workforce, in its final six months there was no recruitment of new permanent staff in the run up to the new body.



improve the gender balance of staff across the organisation and the proportion of staff from ethnic minority backgrounds, but the scope was limited during a period where it was not recruiting. The EOC also collected equality data related to training. It made reasonable adjustments for staff where needs were identified.



## Employment of disabled people

The EOC displayed the Two Ticks disability symbol in recognition of the commitment demonstrated towards the recruitment, training and retention of disabled employees.



## The EOC's Equality Scheme

Following a series of Equality Scheme presentations held for staff across the EOC in 2007 it drew together an Equality Scheme Legacy Document. This was fed into the development of the EHRC's interim equality scheme.

The EOC worked towards fulfilling its disability and race commitments, for example, by revising its events guidelines, working with the Disability Rights Commission on its consultation with ethnic minority people and publishing reports on ethnic minority women and work in Scotland and Wales.

The EOC published a Gender Agenda, which highlighted the key sex equality issues where future action is still required to help inform the key priorities for the new EHRC. The EOC also produced an index of leading indicators that can be used to measure the state of the nation and chart progress in terms of gender equality in the future.

As an employer the EOC aimed to ensure that equality ran right through everything it did. The EOC monitored the numbers of staff in post, and had it existed for longer, it would have wished to make even more strenuous efforts to

# Remuneration report

The policy on the remuneration of senior managers for the six months ended 30 September 2007.

This was the last period of account of the EOC and, given this fact, salary and other figures quoted here for 2007-08 are for six months only. Prior year comparators for 2006-07 have been kept as full year statistics.

The EOC's most senior managers comprised the Chief Executive (CEO) and those of her direct reports who constituted the Corporate Management Team (CMT), all of whom were Grade 6 employees, except for Dr Elaine Drage, a secondee from the Department of Trade and Industry (now the Department for Business, Enterprise and Regulatory Reform – BERR).

The CEO's annual remuneration award usually comprised two elements: a consolidated amount and a non-consolidated, non-pensionable bonus. Recommendations on the CEO's total annual remuneration were made in line with the performance management and reward systems for the Senior Civil Service. The EOC had a separate Remuneration Committee made up of selected Commissioners who reviewed the Chair's recommendations and agreed the CEO's annual reward package.

During the six months which ended 30 September 2007 the members of the Remuneration Committee were:

Jeannie Drake (Chair)	Kay Carberry
Rowena Arshad	Duncan Fisher
Catherine Brown	

The Remuneration Committee met in June to decide on the CEO's pay for the half year and her bonus for the previous year (2006-07). On Treasury advice, given the link to the performance management and reward system for the Senior Civil service, the Chief Executive was not eligible for a bonus award for this accounting period as it did not constitute a full year.

All other CMT members had their remuneration determined by collective bargaining along with all other EOC employees. The pay award

generally comprised pay progression to a 'rate for the job' and an uplift to the minima, maxima and all other points in the EOC's salary scales. The pay award was determined within the financial limits imposed by the Treasury. All pay progression for members of CMT was subject to satisfactory performance as measured and assessed by the CEO using the EOC's own performance management systems.

During this period the EOC also had as an additional member of CMT a secondee from the Department of Trade and Industry (now the Department for Business Enterprise and Regulatory Reform), whose salary was paid by that Department.

## Commission Members' Remuneration\*

### a) Chair:

Jenny Watson was Chair throughout the period. She was classed as an Office Holder and was not a member of the Principal Civil Service Pension Scheme. Jenny Watson received salary payments in the period of £45,200.

During the period, the Chair's remuneration was as follows:

	Six months to 30/9/07 £'000	Full-Year 2006-07 £'000
Salary and pension provision	45	94
Social security costs	5	11
<b>Total</b>	<b>50</b>	<b>105</b>

### b) The cost of Commission members' emoluments was:

	Six months to 30/9/07 £'000	Full year 2006-07 £'000
Salaries and fees	12	29
Social security costs	1	1
<b>Total</b>	<b>13</b>	<b>30</b>

c) The salaries and fees for each Commission member in the six months to 30 September 2007 were as follows:

	Salaries and fees £'000
Kay Carberry	1
Jeannie Drake	2
Duncan Fisher	2
Evelyn Asante-Mensah	–
Sue Ashtiany	1
Fiona Cannon	–
Neil Wooding	–
Rowena Arshad	6
Frances Hasler	–
Mohammed Aziz	–
Deborah Mattinson	–
Surinder Sharma	–
Catherine Brown	–

Commission member appointments are not pensionable.

### Chief Executive\*

The Chief Executive's basic salary for the six months ended 30 September 2007 was £53,828. This amount excluded any bonus payment. In line with Treasury guidance that bonuses should not be paid for half years, the Chief Executive was not eligible for a bonus for this period. Her bonus for the 2006-07 year, as agreed by the Remuneration Committee, was £15,000. This was paid in the six month period ended 30 September 2007 although it related to the previous year and was declared in the previous year's accounts.

Total actual emoluments were £67,554 including employer's contributions of £13,726 to the PCSPS. Employers' National Insurance contributions amounted to a further £7,914. In addition, £15,000 was paid for the previous year's bonus. The Chief Executive was an ordinary member of the PCSPS with the Commission's contribution to the scheme amounting to the equivalent of 25.5% of salary.

### Salary and pension entitlements\*

The table on the next page provides details of the salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Equal Opportunities Commission, who were employed by the EOC, for the six months ended 30 September 2007.

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation.

**N.B.** As at 30 September 2007, there was a pay award pending awaiting final negotiation. This was subsequently agreed by the Lord Privy Seal as sponsor, negotiated by the EHRC and paid retrospectively to EOC staff. The bandings in the table on the next page assume that all these staff (excluding the CEO) received the average pay award as finally agreed by the EHRC.

a) Senior management also included Dr Elaine Drage, a Grade 5 secondee, employed and salary paid by the Department for Business, Enterprise and Regulatory Reform.

b) All of the above were in post from 1 April to 30 September 2007.

c) Given the closure of the EOC, Caroline Slocock, Alice Leonard, Sarah Wootton, Amanda Ariss and John Wilkes all received payments under the Voluntary Early Severance or Voluntary Early Retirement Scheme. Alice Leonard received Compensation In Lieu of Notice.

d) There were no elements of the remuneration package that were not cash.

e) The EOC did not pay any third party for the services of a senior manager.

\*Information and sections marked with an asterisk were subject to audit

## Salary and pension entitlements\*

	Salary £'000	Benefits in kind (rounded to nearest £100)	Real increase in pension and related lump sum at age 60 (£k)	Total accrued pension at age 60 at 30/09/07 and related lump sum (£k)	CETV at 01/04/07 (nearest £k)	CETV at 30/09/07 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)	Employer contribution to partnership pension account including risk benefit cover to nearest £100	Compensation Lump Sum Awarded (nearest £k)	Compensation Payment Awarded (nearest £k)
<b>*Caroline Slocock</b> Chief Executive	50-55 (2006-07 115-120)	Nil (2006-07 Nil)	0-2.5 plus 2.5-5 lump sum	30-35 plus 100-105 lump sum	570	580	17		54	42
<b>*Alice Leonard,</b> Head of Strategic Law Enforcement	30-35 (2006-07 55-60)	Nil (2006-07 Nil)	0-2.5 plus 0-2.5 lump sum	15-20 plus 45-50 lump sum	380	380	5			
<b>Alf Hill,</b> Head of Corporate Services	30-35 (2006-07 60-65)	Nil (2006-07 Nil)	0-2.5	10-15	224	238	6			
<b>Sarah Wootton,</b> Head of Communications & Change	30-35 (2006-07 55-60)	Nil (2006-07 Nil)	0-2.5 plus 0-2.5 lump sum	10-15 plus 40-45 lump sum	186	193	5		76	
<b>Amanda Ariss,</b> Head of Policy & Research	30-35 (2006-07 65-70)	Nil (2006-07 Nil)	0-2.5 plus 0-2.5 lump sum	5-10 plus 15-20 lump sum	75	82	5		86	
<b>**John Wilkes,</b> Head of EOC Scotland	30-35 (2006-07 65-70)	Nil (2006-07 Nil)	0-2.5 plus 0-2.5 lump sum	5-10 plus 20-25 lump sum	116	119	4		65	
<b>*Kate Bennett,</b> Head of EOC Wales	30-35 (2006-07 60-65)	Nil (2006-07 Nil)	0-2.5 plus 0-2.5 lump sum	10-15 plus 30-35 lump sum	182	185	5			

**Notes:** \* Due to certain factors being incorrect in last years CETV calculator, there is a difference between the final period CETV for 2006/07 and the start period CETV for 2007/08.

\*\* Salary decreased for period 18/04/06 to 31/01/07 – resulting in different CETV.

\*Information and sections marked with an asterisk were subject to audit

## The Cash Equivalent Transfer Value (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the Cabinet Office's Civil Superannuation Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

### The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



## Pensions

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 1 October 2002, employees may

be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach 60, or immediately on ceasing to be an active member of the scheme if they are already 60. Further details about the CSP arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)



### Methods used to assess whether performance conditions were met

The CEO's remuneration package was linked to her overall performance. The CEO's objectives were set, monitored and assessed by the Chair using the Senior Civil Service performance management and reward processes.

All other staff were subject to the EOC's own comprehensive, formal process of objective setting, monitoring, review and assessment by the CEO.

### The relative importance of the proportion of remuneration, which was (or was not) subject to performance conditions

All of the CEO's annual remuneration, i.e. her consolidated increase and in previous years non-consolidated bonus were determined with reference to her performance. However, as noted previously no bonus was paid to her for the six months to 30 September 2007.

### A summary and explanation of policy on duration of contracts, and notice periods and termination payments

The CEO and CMT members at Grade 6 were all employed on standard, permanent contracts. They were required to give the employer 3 months notice of termination of contract. The EOC was required to give them 5 weeks notice in the first 4 years of service, then an additional week per year of service rising to a maximum of 13 weeks.

### Details of the service contract for each senior manager who had served during the year including date of the contract, the unexpired term, and details of the notice period

The EOC had no service contracts for senior managers.

### Provision for compensation for early termination and other details sufficient to determine the entity's liability in the event of early termination

As the EOC had no service contracts for senior managers there was no liability arising from early termination.

### VES/VER payments

The EHRC invited staff from the legacy commissions to apply for an Early Exit Scheme. The aim of the scheme was to:

- increase opportunities for staff wanting to move across to the EHRC by reducing the pool of applicants and thus helping to reduce any risk of unwanted redundancy;
- increase EHRC's scope for acquiring new externally recruited expertise, particularly from the new areas of equality work for which it was to be responsible;
- maintain business continuity up to the point of transfer.

The scheme provided early retirement or severance benefits on compulsory terms or, for those aged 60 and over, a payment consisting of a compensation payment in lieu of notice for those who voluntarily chose this option. A total of 36 staff from the EOC chose to leave via the Early Exit Scheme.

**Caroline Slocock**  
Chief Executive Officer  
Equal Opportunities Commission

15 July 2008

# Statement of Accounts

Six months to 30 September 2007

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Women. Men. Different. Equal.  
Equal Opportunities Commission

# Statement of Equal Opportunities Commission's and Accounting Officer's responsibilities

Under paragraph 15 of Schedule 3 to the Sex Discrimination Act 1975 (as amended by paragraph 9 of Schedule 4 to the Race Relations Act 1976) the Secretary of State, with the consent of the Treasury, directed the Equal Opportunities Commission to prepare for each financial year a statement of accounts in the form directed by the Secretary of State. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Equal Opportunities Commission and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the accounts direction determined by the Secretary of State, with the consent of the Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis.

The Permanent Secretary of the sponsor department had appointed the Chief Executive as Accounting Officer of the Equal Opportunities Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer was answerable, for keeping proper records and for safeguarding the Equal Opportunities Commission's assets are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and set out in 'Managing Public Money'. During the period covered by these accounts therefore it was the then Chief Executive of the Equal Opportunities Commission – Caroline Slocock – who was responsible for the proper conduct of its affairs in accordance with the above guidance.

Under the terms of the Equality Act 2006, the Equal Opportunities Commission was wound up on 30 September 2007, with its residual assets and liabilities transferring to the Commission for Equality and Human Rights. SI 2602 of 2007 required the Commission for Equality and Human Rights to discharge the remaining functions of the Equal Opportunities Commission in preparing a final annual report and accounts. In those circumstances therefore, the Accounting Officer of the Commission for Equality and Human Rights – Nicola Brewer – also became responsible for arranging for the Secretary of State to lay the annual report and accounts before Parliament.



# The Equal Opportunities Commission's Accounting Officer's Statement on the System of Internal Control

## Scope of responsibility

As Accounting Officer, I was responsible for maintaining a sound system of internal control that supported the achievement of EOC's vision, targets and objectives, as set by the Commission and agreed with the Department for Communities and Local Government, our sponsor department until late June 2007, while safeguarding public funds and the EOC's assets for which I was personally responsible, in accordance with the responsibilities assigned to me by 'Managing Public Money'.

The Management Statement and Financial Memorandum set out the arrangements for involving our sponsor department in these arrangements and for financial controls, and these were followed. Our sponsors were also invited to attend our Audit Committee.

## The purpose and system of internal control

The system of internal control was designed to manage to a reasonable level rather than eliminate all risk of failure to achieve the EOC's vision, targets and objectives. The environment in which it was operating was also increasingly affected by the activities designed to set up the new Commission for Equality and Human Rights (EHRC), into which the EOC was subsumed on 1 October 2007. It could therefore only provide reasonable assurance and not absolute assurance of effectiveness. The system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of EOC's vision, targets and objectives, to identify and prioritise the risks posed by the transition process into the EHRC, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control was in place from 1 April to 30 September 2007.

## Capacity to handle risk

The EOC took the following actions:

- developed a risk policy and management framework and circulated it to all staff;
- incorporated identification and impact of risk as an integral part of project planning;
- designated the Head of Strategic Planning and Caring Policy as Risk Coordinator and also Transition Manager to the EHRC who was responsible for ensuring that risks were identified and managed through the agreed process;
- managed risks, including EHRC transition risks, as an integral part of management by the Corporate Management Team, including in the development of new policies, where a risk assessment was given to the Commission as a standard process for each new policy.

## The risk and control framework

To deliver this effectively we had:

- instituted regular reviews of performance by the Corporate Management Team against the Business Plan, including the management of risks, at its regular business meetings;
- undertaken risk assessments of high-level risks and of operational risks and integrated these assessments into the existing Business Plan framework and into a process of project planning designed to help implement the 2007-08 Business Plan;
- made regular updates to the Commission and sponsoring department from the Chief Executive Officer, including an assessment of the management of all risks including EHRC transition risks. This was backed up by more formal quarterly reports and for this period a September review which included an assessment of the effectiveness of these arrangements;

- designated risk owners for high-level and significant operational risks;
- a framework for setting individual objectives for staff which, amongst other things, showed how they will manage risks. These were kept under review in year and in full years formally reviewed at the year-end;
- received regular reports from our internal auditors on aspects of internal control and discussed these with the Audit Committee which reported in turn to the Commission;
- secured the support of the Audit Committee and Corporate Management Team for the above;
- consulted generally with the internal auditors on the above.

Risk management was integrated into the business planning process. The Risk Coordinator held a central risk register which logged high-level risks and significant operational risks relating to the 2007-08 business plan and the transition to the EHRC. This was carried forward, via this well established framework, into the 2007-08 analysis of risks, which were increasingly focussed on those relating to the EOC's input to the creation of and transition to the EHRC.

A Management Statement, including a Financial Memorandum, was negotiated with our then sponsor department, the Department for Trade and Industry, in 2004. The Department for Communities and Local Government, our sponsor since May 2006, was also content with the Management Statement and Financial Memorandum. Given the short time to the EOC's abolition, the Government Equality Office, our sponsor from late June 2007, did not seek to renegotiate this.

From September 2003 internal auditing services were provided to the EOC by RSM Robson Rhodes LLP (now Grant Thornton) who operated in accordance with the guidance of the Government Internal Audit Standards.

## Review of effectiveness

As Accounting Officer up to 30 September 2007 I was responsible for reviewing the effectiveness of the system of internal control. This review was informed by the work of the internal auditors and the senior managers within the EOC who had responsibility for the development and maintenance of the internal control framework, and by comments made by the National Audit Office in their management letter and other reports. I was advised on the implications of the result of my review of the effectiveness of the system of internal control by the Commission and the Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system remained in place.

At the EOC's last Audit Committee on 17 September, Grant Thornton noted that in its internal reviews of the EOC's systems since 1 April 2007 it had not found any problems and considered the system of internal control to be sound.

- The Commission reviewed at each of its meetings the latest actions taken to mitigate risks as recorded in the high-level risk register and regularly considered new risks that had arisen. As above it was involved in defining our revised risk framework.
- The Audit Committee reviewed the management of risk, including transition risks, through the reports from external and internal auditors helping us to develop further our control mechanisms and framework for the transition.
- The Audit Committee approved the work plan of our internal auditors to perform a risk based programme focussed in particular on issues related to an efficient wind-down and the transfer of our assets and liabilities to the EHRC.
- During the period April to end September 2007, the Chair of the Audit Committee had regular meetings and conversations with the Chair of the EOC to discuss the work of the Audit Committee.
- The Chair of the Audit Committee made regular reports to the Commission regarding the work of the Audit Committee, met the internal auditors to discuss specifically the EHRC transition risks.
- The Audit Committee regularly reviewed the risk register and the EOC's progress against its Transition Plan, including the management of related risks.

- To provide further evidence of effective control, each identified risk owner certified to me regularly in writing that they could confirm that the identified required responses for action were in place and that the actions on identified specific risks had been or were being undertaken, detailing any areas where this was not the case.

At its final meeting on 17 September the Audit Committee required me as Accounting Officer to ensure that the following points were included as additional notes to the accounts or in this statement.

As at 30 September an issue raised by the EOC with its sponsor and the EHRC in relation to equal pay between staff in the EOC and CRE remained unresolved. EOC staff leaving on the early exit scheme were required to sign a compromise agreement. The terms of the Agreement on equal pay were not agreed with the EOC and were only included on the specific instruction of the EHRC.

A further point on the EOC's cash flow issues with the EHRC during its final months has been included at [note 4](#) to the accounts.

**Caroline Slocock**

Chief Executive,  
Equal Opportunities Commission

15 July 2008

## Discharging the Residual Functions of the Equal Opportunities Commission

Following dissolution of the EOC on 30 September 2007, SI 2602 of 2007 required the Commission for Equality and Human Rights to discharge the remaining functions of the EOC in preparing a final annual report and accounts. I, Nicola Brewer (as Accounting Officer of the Commission for Equality and Human Rights) therefore inherited responsibility for completing the final annual report and accounts of the EOC and making the necessary arrangements to allow the Secretary of State to lay the annual report and accounts before Parliament. To discharge this responsibility I ensured that:

- With the consent of the NAO, I engaged the services of Caroline Slocock, who was Accounting Officer for EOC until 30 September 2007 to sign off the accounts.
- Those physical assets of the EOC which transferred to the Commission for Equality and Human Rights were duly recorded.
- The outstanding liabilities were discharged and assets collected under the guidance of a former senior manager of the EOC and a professional accounting firm, and that the work done was regularly reported on to Caroline Slocock.
- The National Audit Office were provided with all assistance in the discharge of their auditing duties.

**Nicola Brewer**

Chief Executive,  
Equality and Human Rights Commission

28 July 2008

# The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Equal Opportunities Commission for the six months ended 30 September 2007 under the Sex Discrimination Act 1975, as amended by the Race Relations Act 1976. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Equal Opportunities Commission, the Chief Executive and Auditor

The Equal Opportunities Commission and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Sex Discrimination Act 1975, as amended by the Race Relations Act 1976 and Secretary of State directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Equal Opportunities Commission's and Accounting Officer's Responsibilities. My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Sex Discrimination Act 1975, as amended by the Race Relations Act 1976 and Secretary of State directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Equal Opportunities Commission's Mission, Introduction, Key achievements from 1 April to 30 September 2007, Strategies for achieving objectives, Measuring our success, Management of risks and use of resources, Challenges, risks and planned future developments, Achievements against corporate plan objectives, EOC governance arrangements and use of resources, and the unaudited part of the Remuneration Report, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Equal Opportunities Commission has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Equal Opportunities Commission's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this Statement covers all risks and controls, or form an opinion on the effectiveness of the Equal Opportunities Commission's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the matters to be dealt with in a Directors' Report as set out in Section 234 and Schedule 7 of the Companies Act 1985 (as amended), a Management Commentary and a Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant

estimates and judgments made by the Equal Opportunities Commission and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Equal Opportunities Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Sex Discrimination Act 1975, as amended by the Race Relations Act 1976 and directions made thereunder by the Secretary of State, of the state of the Equal Opportunities Commission's affairs as at 30 September 2007 and of its deficit for the six months then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Sex Discrimination Act 1975, as amended by the Race Relations Act 1976 and Secretary of State directions made thereunder; and
- information, which comprises the EOC's Mission, Introduction, Key Achievements from April to 30 September 2007, Strategies for achieving objectives, Measuring our success, Management of risks and use of resources, Challenges, risks and planned future developments, achievements against corporate plan objectives, EOC governance arrangements and use of resources, and the unaudited part of the Remuneration Report, included in the Annual Report is consistent with the financial statements.

## Audit Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Report

I have no observations to make on these financial statements.

**T J Burr**

Comptroller and Auditor General

**National Audit Office**

151 Buckingham Palace Road

Victoria

London

SW1W 9SS

1 October 2008

# Income and expenditure account

For the six months ended 30 September 2007

	Note	Six months ended 30 September 2007		2006-07	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Income from activities	3	37		141	
Other Operating Income	4	97		369	
Income from EHRC to cover transition costs	4	2,675		–	
			2,809		510
<b>Expenditure</b>					
Staff costs	5	(2,648)		(5,302)	
Early retirement and severance costs		(2,469)		(10)	
Depreciation and amounts written off tangible and intangible fixed assets	8 & 9	(81)		(202)	
Other operating charges	6	(1,461)		(3,924)	
			(6,659)		(9,438)
<b>Operating surplus/(deficit)</b>					
			(3,850)		(8,928)
Loss on disposal of fixed assets		(78)		–	
Interest receivable	7	5		13	
Cost of capital		(22)		3	
			(95)		16
<b>Surplus/(deficit) on ordinary activities *</b>					
			(3,945)		(8,912)

The deficit was financed by Grant-in-Aid as explained in [note 1b](#) to the accounts.

\* See [note 1j](#)

**N.B.** As there were no recognised gains or losses for the six months ended 30 September 2007 or for 2006-07 other than those reported in the Income and Expenditure Account, a Statement of Total Recognised Gains or Losses has not been included.

*The notes on pages 45 to 54 form part of these accounts*



# Balance sheet

As at 30 September 2007

	Note	30 September 2007		31 March 2007	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	8	321		460	
Intangible assets	9	133		153	
			454		613
<b>Current assets</b>					
Debtors	10	3,395		547	
Cash at bank and in hand	16	632		319	
<b>Creditors</b> (amounts falling due within one year)	11	(2,304)		(1,111)	
<b>Net current assets</b>			1,723		(245)
Creditors (amounts falling due after more than one year)	11	(94)		(122)	
Provisions for liabilities and charges	12	(935)		(150)	
			(1029)		(272)
<b>Net assets (*)</b>			1,148		96
<b>Financed by:</b>					
General reserve	13		1,148		96
			1,148		96

These financial statements were signed on behalf of the Equal Opportunities Commission by:

Caroline Slocock  
Chief Executive,  
Equal Opportunities Commission  
15 July 2008

See note 1j

The notes on pages 45 to 54 form part of these accounts

# Cash flow statement

For the six months ended 30 September 2007

	Note	Six months ended 30 September 2007 £'000	2006-07 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	15	<b>(4,667)</b>	(9,144)
<b>Returns on investments and servicing of finance</b>			
Interest received	7	5	13
<b>Financing</b>			
Grant-in-Aid applied towards revenue expenditure	13	<b>4,975</b>	9,250
<b>Net cash inflow from financing</b>			
Increase/(decrease) in cash	16	<b>313</b>	119

*The notes on pages 45 to 54 form part of these accounts*

# Notes to the Accounts

## 1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the EOC's financial statements.

### 1a Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified by the application of current cost principles to tangible and intangible fixed assets and in accordance with directions issued by the Secretary of State for Communities and Local Government to show a true and fair view.

### 1b Treatment of Grant-in-Aid

During the previous accounting period, the policy on dealing with Grant-in-Aid was amended. In previous periods, this was treated as income. With effect from the year ended 31 March 2007, Grant-in-Aid was treated as financing because it gives rise to a financial interest in the residual interest of the EOC. Effectively, the Grant-in-Aid finances the deficit shown in the EOC's financial statements. Although this requires no accounting adjustment in this current financial period, reference is nevertheless made to it given its material impact on the accounts. EOC spent in this period to within 1.4% (£57.5k) below its Departmental Expenditure Limit.

### 1c Fixed assets

Changes to the FReM for 2007-08 allow that indexation need not be charged on assets if its impact is not material. In the view of EOC management, in the six months ended 30 September 2007 this was the case and an indexation adjustment has not been calculated for the six month period reflected in these accounts.

The EOC's capitalisation threshold is set at £2,500 per individual item (including any amounts of Value Added Tax which are irrecoverable). IT and furniture assets that are individually below the threshold are grouped for capitalisation purposes.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of more than £2,500 is incurred. Software licences are amortised over the shorter of the term of the licence and the useful economic life (7 years).

### 1d Depreciation

Fixed assets are depreciated using the straight-line basis commencing in the month of acquisition. Depreciation is applied over the estimated useful economic lives of the assets to the business as follows:

Furniture	– 15 years
IT equipment (including Telecommunications equipment)	– 7 years
Fixtures and fittings	– Duration of the life of the relevant office lease

### 1e Income recognition

Income is recognised in the period to which it relates.

### 1f Pension policy

Past and present employees are covered by the provisions of the Civil Service Pension Schemes. The defined benefit elements of the schemes are unfunded and non-contributory except in respect of dependents' benefits. The EOC recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Scheme (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes the EOC recognises the contributions payable for the year.

## 1g Cost of capital

In order to show the full cost of the EOC's activities, notional costs are included in the Income and Expenditure Account. A notional cost of capital is charged at 3.5% to average capital employed during the year. The sums are written back into the general reserve for the year.

## 1h Operating leases

Operating leases are for premises and equipment rental and are charged to the Income and Expenditure Account on a straight-line basis over the life of the lease.

The EOC sub leases part of the Manchester office premises to the Disability Rights Commission. The income is credited against the premises costs in the Income and Expenditure Account.

## 1i VAT

The EOC can recover VAT on items relating to its 'business' activity, such as conferences. HM Revenue and Customs allows full VAT recovery on specifically identifiable 'business' activities plus an agreed percentage recovery on the VAT incurred on all overhead costs. All costs are net of recoverable VAT; irrecoverable VAT is included with the cost to which it belongs.

## 1j Going concern

With effect from 1 October 2007, the EOC is becoming part of a new organisation, the Equality and Human Rights Commission (EHRC), along with two other organisations that will also cease to exist as at 30 September 2007, namely the Commission for Racial Equality (CRE) and the Disability Rights Commission (DRC). The EHRC will be responsible for the activities previously undertaken by the EOC, the CRE and the DRC.

As the duties and responsibilities of these old bodies were transferred to the EHRC, it has been decided that it is legitimate to prepare the accounts of the EOC on a going concern basis and this is therefore the treatment that has been adopted.

## 1k Provisions

Full provision for early retirements is made in the year in which the liability occurs. The provision is valued by discounting at the Treasury determined rate. Due to the existence of the Voluntary Early Severance Scheme a number of employees left the Equal Opportunities Commission before their retirement date. Provision has been made for the ongoing costs of pension provision until these individuals reach the age of 60. This too has been discounted using the appropriate rate.

In addition, the buildings previously used by the EOC in London, Glasgow and Cardiff have been disposed of as a result of the changes to the organisation outlined in [note 25](#) to these accounts. The obligating event for this was the giving of notice on the lease as a result of the requirement to review property usage arising from the transfer of EOC activities to the EHRC. This resulted in the need, for the buildings listed above, for the terms of each lease to be reviewed with regards to dilapidations payments that might be due and the corresponding need to create provisions for these amounts. In all cases the properties were still actually in use as at 30 September 2007.

## 2 Split of activity

The EOC was required by its Accounts Direction and the Fees and Charges Guide to disclose segmental information for the different services provided as below. All income was generated by activities in Great Britain. This note is not provided for SSAP25 purposes.

Activity	Six months to 30 September 2007			Full Year 2006-07		
	Turnover £'000	Costs £'000	(Deficit) £'000	Turnover £'000	Costs £'000	(Deficit) £'000
Equality Exchange	14	54	(40)	44	148	(104)

The aim of the Equality Exchange is to keep employers and other organisations up to date on the latest developments on sex equality, for which a membership fee is charged. The purpose is to disseminate information rather than recover the full cost of providing the service.

### 3 Income from activities

	Six months ended 30 September 2007	2006-07
	£'000	£'000
Receipts from fees and publications	14	47
Recovered legal costs	22	40
Sponsorship	1	54
	<b>37</b>	<b>141</b>

### 4 Other operating income

	Six months ended 30 September 2007	2006-07
	£'000	£'000
European Social Fund (ESF)	35	215
Fair Play Scotland	0	13
Scottish Executive	37	59
Close the Gap Scotland	0	38
Miscellaneous	25	44
Sub-Total	<b>97</b>	<b>369</b>
Income from EHRC to cover transition costs	<b>2,675</b>	<b>0</b>
	<b>2,772</b>	<b>369</b>

The income from EHRC has been included as a result of the transition of the EOC to the new Commission as described in [note 25](#). This income has been used to cover: (i) the one-off costs of transition such as payments under the Voluntary Early Severance Scheme, the increase in pensions provision arising as a result, the increase in dilapidations provision required as a result and the costs of early write off of the partitions in the Manchester office.

(ii) In addition there were refunds due to the EOC as at 30 September for the salary costs of some EOC staff seconded to the EHRC and for the salary payments of some staff recruited for the EHRC from April to the end of September. All relevant salary costs have been excluded from EOC's expenditure and treated as part of accrued income receivable from EHRC ([see note 10](#)).

[Note 6](#) gives a detailed breakdown of the EOC's programme and running costs for the period.

### 5 Staff number and costs

The average number of persons employed during the period comprised:

	Number of employees	
	Six months ended 30 September 2007	2006-07
Permanent staff	157	167
Agency Staff	11	6

The higher than normal number of agency staff figure was largely due to the need to back fill some posts where EOC staff had been seconded to either the Transition Team preparing for the EHRC or to the EHRC itself.

The aggregate payroll costs were as follows:

	Six months ended 30 September 2007 £'000	2006-07 £'000
Salaries	1,945	3,980
Social security costs	156	327
Pension contributions	440	773
Secondments	32	70
Amounts payable in respect of agency staff	14	16
	<b>2,587</b>	5,166
Commissioner Costs	61	136
<b>Total</b>	<b>2,648</b>	5,302

### Pension arrangements

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme and the Equal Opportunities Commission is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For this period, employers' contributions of £370k were payable to the PCSPS (2006-07 £803k) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. For 2007-08, the salary bands have been revised but the rates remain the same.

The contribution rates are set to meet the cost of the benefits accruing during this period to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees joining can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £3k (2006-07 £6k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £245, 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil.

Contributions prepaid at that date were £nil. No persons retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2006-07 £nil).

With the approval of the then sponsor Department, the EOC put in place over a decade ago a by-analogy pension arrangement for an ex-Commissioner of the EOC with benefits that are identical to the Principal Civil Service Pension Scheme but which are funded directly by the Commission. On retirement, payment of the pension would have been the responsibility of the EOC but passed to the EHRC as part of the transition. Following FReM guidance, a provision for this by analogy pension has been created in these accounts to the value of £67K. As EHRC will be funding this liability, an accrued income figure for this amount has also been included in the accounts. The effect on the deficit in these accounts is therefore neutral.



## 6 Other operating charges

	Six months ended 30 September 2007 £'000	2006-07 £'000
<b>Running costs</b>		
Travel, subsistence, recruitment and training	204	464
Premises	260	585
Dilapidations	66	28
Operating leases – premises	196	354
Office services and supplies	201	538
Operating leases – equipment	42	91
Audit fee	28	23
Travel, subsistence and hospitality – Chair	5	31
Corporate Expenses	42	81
Unwinding of discounted provision	1	3
<b>Programme costs</b>		
Legal services	24	423
Research services	55	297
Publicity and information services	337	1,006
	<b>1,461</b>	<b>3,924</b>

## 7 Interest receivable

	Six months ended 30 September 2007 £'000	2006-07 £'000
Interest receivable	5	13

## 8 Tangible fixed assets

	Furniture £'000	IT Equipment and Telecoms £'000	Fixtures and Fittings £'000	Totals £'000
<b>Cost or valuation</b>				
1 April 2007	398	585	473	1,456
Additions	0	0	0	0
Disposals	(23)	0	(259)	(282)
Revaluation	0	0	0	0
<b>30 September 2007</b>	<b>375</b>	<b>585</b>	<b>214</b>	<b>1,174</b>
<b>Depreciation</b>				
1 April 2007	198	435	363	996
Charge for year	13	32	16	61
Disposals	(18)	0	(186)	(204)
Revaluation	0	0	0	0
<b>30 September 2007</b>	<b>193</b>	<b>467</b>	<b>193</b>	<b>853</b>
<b>Net book value</b>				
<b>30 September 2007</b>	<b>182</b>	<b>118</b>	<b>21</b>	<b>321</b>
1 April 2007	200	150	110	460

## 9 Intangible fixed assets

The Commission's intangible fixed assets comprise purchased software licences.

Purchased software licences £'000	
<b>Cost or valuation</b>	
1 April 2007	293
Additions	0
Disposals	0
Revaluation	0
<b>30 September 2007</b>	<b>293</b>
<b>Depreciation</b>	
1 April 2007	140
Charge for year	20
Disposals	0
Revaluation	0
<b>30 September 2007</b>	<b>160</b>
<b>Net book value</b>	
<b>30 September 2007</b>	<b>133</b>
1 April 2007	153

### 10a Debtors

	30 September 2007 £'000	31 March 2007 £'000
Trade debtors	69	87
Other debtors	39	3
VAT debtor	0	1
Prepayments and accrued income	165	456
EHRC	3,122	–
	<b>3,395</b>	<b>547</b>

All debtors fall due within one year. The high values of both other debtors and amounts due from EHRC relate to the change in organisational situation as outlined in [note 25](#) to these accounts.

### 10b Debtors: Intra-government balances

	Debtors: Amounts falling due within one year 30 September 2007 £'000	Debtors: Amounts falling due within one year 31 March 2007 £'000
Balances with other central government bodies	3,210	116
Balances with local authorities	22	0
Balances with NHS Trusts	0	0
Balances with public corporations and trading funds	0	0
Balances with bodies external to government	163	431
	<b>3,395</b>	<b>547</b>

## 11a Creditors: amounts falling due within one year

	30 September 2007 £'000	31 March 2007 £'000
Trade creditors	204	403
Other creditors	41	15
Accruals and deferred income	2,056	693
Taxation and social security creditors	3	0
	<b>2,304</b>	<b>1,111</b>

The high levels of accruals at the period end relate in the main to the Voluntary Severance Payments which fell due at the period end, though paid over in subsequent weeks.

## 11b Creditors: amounts falling due after one year

	30 September 2007 £'000	31 March 2007 £'000
Premises rent free period	94	122

## 11c Creditors: Intra-government balances

	Creditors: Amounts falling due within one year six months ended 30 September 2007 £'000	Creditors: Amounts falling due within one year 31 March 2007 £'000
Balances with other central government bodies	2,016	33
Balances with local authorities	0	0
Balances with NHS Trusts	0	0
Balances with public corporations and trading funds	0	0
Balances with bodies external to government	288	1,078
	<b>2,304</b>	<b>1,111</b>

## 12 Provisions for liabilities and charges

	Early Retirement Costs £'000	Dilapidations £'000	Pension £'000	Total Provisions £'000
Balance at 1 April 2007	122	28	0	150
Additions in year	665	78	67	810
Charge for the year	(26)	-	-	(26)
Unwinding of discount	1	-	-	1
<b>Balance at 30 September 2007</b>	<b>762</b>	<b>106</b>	<b>67</b>	<b>935</b>
Amounts falling due within one year	141	106	67	314
Amounts falling due after one year	621	-	-	621

## 13 Movement in Government funds and reserves

	General Reserve £'000
Balance at 1 April 2007	96
Grant-in-Aid received towards revenue expenditure	4,975
Deficit for the year	(3,945)
Write back cost of capital	22
<b>Balance at 30 September 2007</b>	<b>1,148</b>

The figure of £4,975k represents the cash drawn down by the EOC during the period and represents its Grant-in-Aid sum of £4,0025k, plus the effect of creditors and debtors at the beginning and end of the relevant period.

## 14 Operating lease commitments

The EOC has commitments in the following year relating to operating leases that expire:

	Buildings		Equipment	
	2007-08 £'000	2006-07 £'000	2007-08 £'000	2006-07 £'000
Within one year	63	168	0	48
Between two and five years	383	383	3	3
After five years	0	0	0	0

There were no obligations under finance leases.

## 15 Reconciliation of operating surplus/(deficit) to net cash flow from operating activities

	Six months ended 30 September 2007 £'000	2006-07 £'000
Operating surplus/(deficit)	(3,850)	(8,928)
Depreciation charges	81	185
Loss on revaluation of fixed assets	0	17
(Increase)/decrease in debtors	(2,848)	8
Increase/(decrease) in creditors	1,975	(365)
Release provision for backdated voluntary severance and early retirement costs	(26)	(64)
Unwinding of discounted provision	1	3
Net cash (outflow)/inflow from operating activities	<b>(4,667)</b>	<b>(9,144)</b>

## 16 Analysis of changes in net funds

	1 April 2007 £'000	Cash flows £'000	30 September 2007 £'000
Cash at bank and in hand	319	313	632

## 17 Financial instruments

The Commission has no significant exposure to liquidity, interest rate or currency risks. FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the non-trading nature of its activities and the way in which it is financed, the Commission is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Commission has very limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the department in undertaking its activities.

### Interest rate risk

Interest rate risk was not significant; as the Commission had no borrowings. The Commission held an interest bearing Business Reserve Account. There was no risk associated with this.

### Liquidity risk

The Commission was not exposed to significant liquidity risk, as it has no borrowing facilities and cash requirements were met by the Department for Communities and Local Government funding.

### Currency risk

Currency risk was not significant, as the Commission had no material imports or exports, nor did it hold foreign currency assets or liabilities.

### Credit risk

The Commission had no long-term debt and was not exposed to credit risk.

## 18 Capital commitments

There were no capital commitments at the end of the period (2006-07 Nil).

## 19 Contingent liabilities

Legal costs and recoveries relating to supported cases in progress as at 30 September 2007 are not treated as a contingent liability, but as an ongoing expense.

## 20 Related party transactions

The EOC was a Non-Departmental Public Body which was sponsored by the Department for Communities and Local Government; its sponsor until the Machinery of Government changes in late June. These changes created the Government Equalities Office, which was attached to the Lord Privy Seal's office, and became the EOC's sponsor Department. Both of these organisations are regarded as related parties. During the year, the EOC has had various material transactions with the Department for Communities and Local Government.

No key managerial staff undertook any material transactions with the EOC during the year.

In addition the EOC had a small number of material transactions with other Government Departments and other central government bodies. These transactions were with the Disability Rights Commission, the Commission for Racial Equality, Scottish Enterprise, the Scottish Executive, the Cabinet Office and the Department for Work and Pensions.

## 21 Performance against key financial targets

The EOC was allocated an operating budget of £4.0025 million for this accounting period and spent to just under 1.4% below this operating budget.

## 22 Post balance sheet events

There were no significant post balance sheet events.

The financial statements were authorised for issue on 1 October 2008.

## 23 Other commitments

There were no other commitments at the end of the year.

## 24 Scottish Executive funding

The Scottish Executive provided the EOC with £80,000 for a project on Gender Equality in the Health Department, a continuation of one begun the previous financial year. During the six month period, £19k was spent on the project, £15k on staff costs and £4k on non-staff costs. The remainder (£61k) being unspent by the end of September 2007 was transferred to EHRC.

The Scottish Executive also provided further funding of £5.9k in this period for the continuing project on Mainstreaming Gender in Scottish Schools Education. In the six month period £5.9k was spent for non-staff costs relating to the project.

## 25 Change of status of EOC to EHRC and contingent liabilities

Under the terms of the Equality Act 2006, a new Equality and Human Rights Commission (EHRC) was set up to take on the responsibilities of the Equal Opportunities Commission (EOC) from 1 October 2007. The EOC worked with the Transition Team managing the setting up of the new Commission to ensure a smooth wind down of the EOC's activities. Some of these activities gave rise to contingent liabilities.

One such liability arose in connection with an early severance scheme that was made available to EOC staff. The full cost of this has been recognised in these accounts with a corresponding amount of income from EHRC accrued to recognise it.

A further major liability arose in connection with the termination of the leases for the buildings that EOC currently occupies. Full provision has been made in these accounts with a corresponding amount accrued as income from EHRC.

The Equalities Act 2006 placed a responsibility on EHRC to prepare the final accounts for EOC for audit by the NAO. EHRC decided to fulfil this responsibility by employing an external firm with experience of public sector accounts, chosen by means of a full tender exercise. This was conducted in October 2007, with the HELM Corporation, the winner of the tender exercise, starting work in late October.



# Equality and Human Rights Commission

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On 1 October 2007 the Equal Opportunities Commission became part of the Equality and Human Rights Commission.



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