

COMMISSION FOR RACIAL EQUALITY

# Annual Report and Accounts

2006/7



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COMMISSION FOR  
RACIAL EQUALITY



Liquidity risk

The CRE's liquidity risk is low; as an NDPB, it is underwritten by the DCLG. The levels of capital expenditure are managed from Grant-in-Aid received from DCLG.

Interest rate risk

There are no interest-bearing loans. As an NDPB, the CRE is not allowed to borrow money. Interest received on deposits is generated from cash held in the account and not exposed to any form of interest rate risk.

Foreign currency risk

The CRE has no material exposure to assets, liabilities, income or expenditure denominated in foreign currency.

22. Financial targets

There were no financial targets set for the 2006/7 year.

23. Losses and special payments

During the year 2006/7 there were no losses or special payments requiring disclosure under government accounting.

COMMISSION FOR RACIAL EQUALITY

Annual Report and Accounts  
2006/7

1 January 2006 – 31 December 2006  
with audited financial accounts for  
the period 1 April 2006 – 31 March 2007

Presented to the House of Commons pursuant to section 7  
of the Government Resources and Accounts Act 2000

Ordered by the House of Commons to be printed on 19 May 2009

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Notes (continued)

18. Capital commitments

The CRE did not have any capital commitments contracted at the year-end.

19. Post balance sheet events

Provisions within the Equality Act 2006 have set up a new Equality and Human Rights Commission (EHRC), which took on the responsibilities of the CRE on 1 October 2007. This activity may give rise to contingent liabilities.

One liability arose in connection with an early severance scheme made available to the CRE staff. Subsequent to the balance sheet date, employees have been offered terms under an early severance scheme and payments were made after 30 September 2007. Seventy employees entered the scheme, costing £5,514,976.

A further liability will arise in connection with the termination of the leases for the buildings that the CRE occupied. The EHRC transition team asked the CRE to give notice to break leases on their London, Birmingham, Cardiff and Edinburgh offices.

The CRE was formerly financed by Grant-in-Aid from the Home Office. However, following the announcement made during May 2006, the Home Office ceased to be the sponsoring department for the CRE. The actual transfer took place in January 2007, at which point responsibility for the CRE resided with the Department for Communities and Local Government. The Prime Minister announced the establishment of the Government Equalities Office (GEO) on 27 July 2007, which transferred sponsorship of the CRE to the GEO. The GEO was established as a stand-alone government department on 12 October 2007.

The financial statements were approved by Maxine Ayton on 5 January 2009 and authorised for issue on 14 January 2009.

20. Related party transactions

The Home Office and the Department for Communities and Local Government (DCLG) are considered to be related parties to the CRE. During the year ended 31 March 2007, DCLG provided the CRE with Grant-in-Aid of £19,100,000.

During the period, the CRE received services from the Kite Consultancy Ltd, a private company owned by Julia Chain, who was also the CRE Deputy Chair and Commissioner. The company invoiced the CRE for a total of £102,127 during the year for consultancy work on a formal investigation and a balance of £29,672 was included in trade creditors at year-end.

There were no other related party transactions entered into by the CRE, its senior staff or other related parties during the financial year ended 31 March 2007.

21. Financial instruments

FRS13, Derivatives and Other Financial Instruments, requires the disclosure of the role which financial instruments have had in creating or changing the risks the entity faces in undertaking its activities during the year to 31 March 2007. Because of the largely non-trading nature of its activities and the way it is financed, the CRE 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 FRS13 applies.

15. Commitments under leases

15a. Operating leases

Obligations under operating leases comprise	2006/7 £	2005/6 £
<b>Land and buildings</b>		
Expiry within one year	27,742	513,532
Expiry after one year, but not more than five years	787,190	211,987
Expiry thereafter	94,000	108,000
	<b>908,932</b>	<b>833,519</b>
<b>Other</b>		
Expiry within one year	0	45,882
Expiry after one year, but not more than five years	0	0
Expiry thereafter	0	0
	<b>0</b>	<b>45,882</b>

15b. Finance leases

Obligations under finance leases comprise	2006/7 £	2005/6 £
Rentals due within one year	16,000	16,000
Rentals due after one year but not more than five years	9,333	25,333
Rentals due thereafter	0	0
Less interest element	0	0
	<b>25,333</b>	<b>41,333</b>

16. Contingencies

One contingent liability existed at 31 March 2007. This liability arose from legal action brought against the CRE which is yet to be resolved. The value of the contingent liability remains at £100,000.

Legal and General are currently holding funds relating to the wind up of the CRE pension scheme in 2005, pending the finalisation of a data cleansing exercise which has the potential to impact on the number of people assessed as being members of the scheme. Once this exercise is complete, it is likely that some funds will be returned by Legal & General, but the amount and date of this is uncertain.

17. Deferred income

	£
As at 1 April 2006	742,978
Transferred to Sporting Equals	(307,888)
Deferred in year	13,958
As at 31 March 2007	<b>449,048</b>

COMMISSION FOR RACIAL EQUALITY

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1 January 2006 – 31 December 2006  
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period 1 April 2006 – 31 March 2007

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## COMMISSION FOR RACIAL EQUALITY



## Foreword by Kay Hampton, Chair

22 November 1976 was a seminal moment in the fight for racial equality. On that day, not only was the law against racial discrimination strengthened, but the Commission for Racial Equality (CRE) was born. Its birth was timely – 1976 also saw the Notting Hill Carnival end in riots, the fatal stabbing of Asian teenager Gurdip Singh Chaggar (the Nationalist Party was quoted as saying, ‘One down, a million to go’) and the Rock Against Racism concert in London, in response to alleged racist remarks made by popular rock artists.

The year 2006 marked the 30th anniversary of the CRE. As I write for this annual report, I look back over those three decades of progress towards racial equality and the achievements of staff, commissioners and chairs, and forward to the journey still ahead. This year has seen us instigate two formal investigations, one into physical regeneration and the effects that it can have on local communities, and one into the Department of Health, for their failure to assess adequately the impact of their policies on racial equality. We also found that 15 other government departments were not compliant with their duty to assess the impact of their policies, and we received 1,120 applications for assistance with alleged cases of racial discrimination. Although, as a nation, we are slowly becoming comfortable with diversity and the reality of a multi-ethnic society, inequalities still persist, and people from ethnic minorities are still under-represented in civic and political life. Unless this is remedied, we cannot hope to create a society in which everyone is at ease with diversity, as well as willing to take the responsibility that comes with living together. Much of our work in 2006 focused on enabling all those who live on these islands to become more involved in all areas of civic life.

During the last 30 years, the world of race relations has changed almost beyond recognition. Ideas about race and ethnicity have been critically debated, both academically and in the public arena, and this has led to different interpretations and understanding. Most importantly, today we are able to come together collectively – whatever our disagreements – to debate maturely the best ways to tackle continuing inequality. November saw this debate opened more widely than ever, at the flagship event of our 30th anniversary celebrations: the Race Convention 2006. The two-day event brought together over 1,000 delegates to hear 180 high-profile speakers share their views on the race agenda for the 21st Century.

Another important milestone will come in 2007. The CRE will become part of the newly-established Equality and Human Rights Commission (EHRC), along with the Equal Opportunities Commission and Disability Rights Commission. For us, this change is not about closure, but transformation and consolidation. All of us at the CRE – commissioners, management and staff across Britain – are working hard to make sure this transition is smooth, and that none of our expertise and experience is lost. We want to ensure a solid foundation upon which the EHRC can develop a sustainable and long-term programme of interventions. It is through these interventions that we will continue, as part of the EHRC, to bring to life the vision we set ourselves back in 1976: that of a just and fair society, a society which respects and accepts diversity, and which allows all citizens to reach their full potential without fear of discrimination.

Notes (continued)

## 13. Reserves

	General Reserve
	2006/7 £
Balance at 1 April 2006 (as restated)	(463,525)
Net expenditure	(20,579,920)
Grant-in-Aid received towards resource expenditure	18,863,482
Actuarial loss	(140,900)
Grant-in-Aid received towards purchase of fixed assets	236,518
Arising on revaluation during the year	1,235
<b>Balance at 31 March 2007</b>	<b>(2,083,110)</b>
	Restated 2005/6 £
Balance at 1 April 2005 (as restated)	(780,486)
Net expenditure	(18,836,449)
Grant-in-Aid received towards resource expenditure	18,664,148
Actuarial (loss) gain	53,000
Grant-in-Aid received towards purchase of fixed assets	435,852
Depreciation due to revaluations	410
<b>Balance at 31 March 2006</b>	<b>(463,525)</b>

## 14. Note to the cash flow statement

## Reconciliation of operating cost to operating cash flows

	2006/7 £	Restated 2005/6 £
Net operating cost	(20,579,920)	(18,836,449)
Adjustments for non-cash transactions	411,740	414,007
(Increase)/decrease in stock	(1,474)	3,481
(Increase)/decrease in debtors	(429,966)	15,347,444
Increase/(decrease) in creditors	(152,172)	773,757
Increase/(decrease) in provision for other liabilities	(314,992)	(15,526,744)
Increase/(decrease) in pension liability	7,000	22,000
<b>Net cash outflow from operating activities</b>	<b>(21,059,784)</b>	<b>(17,802,504)</b>



Notes (continued)

**11b. Creditors: intra-government balances**

	2006/7 £	2005/6 £
Balances with other central government bodies	336,443	286,717
Balances with local authorities	2,500	2,500
Balances with public corporations and trading funds	81,676	0
<b>Subtotal: intra-government balances</b>	<b>420,619</b>	<b>289,217</b>
Balances with bodies external to government	2,411,625	2,695,199
	<b>2,832,244</b>	<b>2,984,416</b>

**12. Provisions for liabilities and charges**

	REC pension provision £	Dilapida- tions provision £	Early departure costs £	By-analogy pension liability £	Total £
Balance at 1 April 2006	198,335	66,924	141,999	818,100	1,225,358
Provided in the period	0	0	0	202,900	202,900
Provisions not required written back	(198,335)	0	0	0	(198,335)
Provisions utilised in the period	0	(34,038)	(82,619)	(55,000)	(171,657)
Unwinding of discount	0	0	0	0	0
<b>Balance at 31 March 2007</b>	<b>0</b>	<b>32,886</b>	<b>59,380</b>	<b>966,000</b>	<b>1,058,266</b>

**12a. Early departure costs**

The Commission meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The remuneration report details the provision on the By Analogy Pension Liability.

**12b. Dilapidations provision**

The dilapidations provision relates to leasehold premises. The costs are expected to be incurred between 2004 and 2007, when there is a lease break. A dilapidation provision on vacated buildings is maintained until dilapidation negotiations have been finalised.

We have a strong legacy to pass on, one which has been tried and tested, and which includes not only talented and experienced staff, but also good practice and extensive data and documentation. Most importantly, we offer a network of partners who, over the years, have helped us to develop our policies and turn our aims into reality. We work across Britain through our nine regional hub offices and our offices in Scotland and Wales, with trade unions, with local and central government, with European and international organisations, with racial equality councils, and with voluntary organisations, many more of which we fund through our Getting Results programme. It is through working with these networks that we have been able to stay at the cutting edge of racial equality issues, and influence the local, national, European and international race agenda.

The sheer volume of our activities this year shows that our daily work of fighting prejudice and of promoting equality, participation and meaningful interaction within communities continues to be of paramount importance. Virtually every day, our newspapers and television programmes include stories and articles about racial inequality and cases of racial abuse or discrimination. The EHRC will face not only these older challenges, but new ones which are unique to 21st Century society – globalisation, migration, and increasing ethnic and lifestyle diversity have changed our landscape. In my role as transition commissioner on the board of the EHRC, I want to ensure that its work to promote racial equality will keep up with the rapid social changes of our times, and with the needs of modern society. So much more needs to be done to get us to a place where we can truly be proud to be citizens of this society. The many shrewd interventions of Trevor Phillips, my predecessor, helped bring the work of the CRE to the forefront of public debate and consciousness, and my role in these last months of the CRE's life is to ensure that it is remembered for its many achievements, and to keep racial equality at the top of the agenda until it is time to pass the torch to the EHRC.

## COMMISSION FOR RACIAL EQUALITY

## 1. Legislating for equality



In 2006, we responded to a number of important legislative proposals. We are committed to ensuring that legislation in Britain reflects the needs of all its citizens, whatever their ethnic origins.

**Education and Inspection Act**

The Education and Inspection Act received royal assent in November. The legislation covers the formation of trust schools, a new role for local authorities, dealing with students' poor behaviour, and school inspection reform. We secured an amendment to the bill to give all governing bodies of maintained schools a duty to promote community cohesion, and to give Ofsted, the schools' inspectorate, a duty to include information on a school's contributions to community cohesion in its reports.

**Action plan on human trafficking**

In April, we provided a submission in response to the Home Office's draft action plan on combating sex and labour trafficking into the UK. We raised a number of concerns about the action plan:

- It was not integrated with other policies on migration, employees' rights, anti-discrimination and equality.
- It did not place sufficient emphasis on protecting the human rights of the victims of trafficking.
- The UK government failed to ratify and implement the European Convention on Action Against Trafficking in Human Beings.

The Government is expected to publish a revised action plan, and decide whether to sign up to the convention in early 2007.

**Human rights**

We made two submissions to the Parliamentary Joint Committee on Human Rights (JCHR) in 2006. The first was as part of its inquiry into the treatment of asylum seekers. We raised concerns about:

- the lack of political leadership within central and local government in linking asylum issues with race relations;
- the failure of public authorities with functions affecting asylum seekers to consider how their policies affect racial equality and good race relations; and
- the negative effects of the exception under the Race Relations Act (RRA) permitting public authorities to discriminate on grounds of nationality, ethnic or national origins, when exercising their immigration functions.

The second submission was as part of the JCHR's inquiry into the meaning of 'public authorities' under the Human Rights Act. We emphasised the importance of ensuring clarity in the meaning of the term, and consistency in how it is interpreted.

Notes (continued)

**9b. Debtors: intra-government balances**

	2006/7 £	2005/6 £
Balances with local authorities	0	23,674
Balances with other non-departmental public bodies	234,618	0
Balances with public corporation and trading funds	2,768	0
<b>Subtotal: intra-government balances</b>	<b>237,386</b>	<b>23,674</b>
Balances with bodies external to government	630,969	414,715
	<b>868,355</b>	<b>438,389</b>

**10. Cash at bank and in hand**

	2006/7 £	2005/6 £
Balance at 1 April	2,553,901	1,692,257
Net change in cash balances	(2,196,302)	861,644
<b>Balance at 31 March</b>	<b>357,599</b>	<b>2,553,901</b>
The following balances at 31 March were held at		
Lloyds TSB and cash in hand	357,599	2,553,901
<b>Balance at 31 March</b>	<b>357,599</b>	<b>2,553,901</b>

**11a. Creditors**

	2006/7 £	2005/6 £
<b>Analysis by type</b>		
Amounts falling due within one year		
VAT	0	689
Other taxation and social security	195,738	0
Trade creditors	767,437	667,846
Other creditors	140,333	351,532
Accruals and deferred income	1,728,736	1,923,016
	<b>2,832,244</b>	<b>2,943,08</b>
Amounts falling due after more than one year		
Finance leases	0	41,333
	<b>0</b>	<b>41,333</b>



Notes (continued)

**7. Intangible fixed assets – software licences**

	2006/7 £
<b>Cost or valuation</b>	
1 April 2006	401,629
Additions	8,819
Disposals	0
Revaluations	(29,882)
<b>At 31 March 2007</b>	<b>380,566</b>
<b>Amortisation</b>	
At 1 April 2006	256,909
Charged in year	98,104
Disposals	0
Revaluations	(25,991)
<b>At 31 March 2007</b>	<b>329,022</b>
<b>Net book value at 31 March 2007</b>	<b>51,544</b>
<b>Net book value at 31 March 2006</b>	<b>144,720</b>

**8. Stocks and work in progress**

	2006/7 £	2005/6 £
Stocks	15,364	13,890
	<b>15,364</b>	<b>13,890</b>

**9a. Debtors**

Analysis by type	2006/7 £	2005/6 £
Trade debtors less than one year	320,075	61,004
Trade debtors greater than one year	0	7,500
	<b>320,075</b>	<b>68,504</b>
Less: provision for doubtful debts	0	0
Other debtors	148,709	43,805
Prepayments and accrued income	399,571	326,080
VAT	0	0
	<b>868,355</b>	<b>438,389</b>

**Equalities Review and Discrimination Law Review**

In February 2005, the government announced two reviews, looking at the law and policy on discrimination and equality. The first was the Equalities Review, led in an independent capacity by former CRE Chair Trevor Phillips. This was set up to provide a fundamental policy review of equality issues and priorities in Britain. We continued to work closely with the Equalities Review in 2006, and responded to its interim report in June. The report addressed some of the barriers to integration, but we felt that further research and discussion were needed. A final report will be published in early 2007.

The second was the Discrimination Law Review (DLR), which was set up to develop proposals for introducing a Single Equality Bill during the current parliament. This will hopefully lead to a new Single Equality Act (SEA), which should eliminate the inconsistencies in protection and scope within, as well as generally improve on, current UK anti-discrimination legislation. In 2006, we met regularly with the DLR board to discuss racial discrimination, and sent them papers on specific topics, such as the equality duties and the concept of positive action. In April, we made a detailed submission to the DLR, which focused on making sure that the new SEA will be an effective piece of legislation. We believe it needs to meet the following requirements:

- It should be written clearly and accessibly, with enforceable requirements.
- It should provide individuals with broad protection against unfair discriminatory treatment, including multiple discrimination and harassment.
- It should introduce a strong equality duty for public authorities, requiring them to take practical steps to promote equality and to be able to demonstrate results, particularly in the important field of public procurement.
- It should include clear, effective arrangements for positive action measures.
- It should include provisions to allow the employment tribunals, courts and the new Equality and Human Rights Commission to take appropriate and effective action against those who do not comply with the SEA, and to award remedies that would help tackle the wider causes and effects of unlawful discrimination and harassment.

A consultation paper is due to be published by the government in early 2007 and we will respond formally to this.

**Implementation of EU legislation**

We responded to the Davidson Review, an independent review commissioned by the government to consider how EU legislation should be implemented. While all EU legislation must be implemented to a minimum level, EU member states, including Britain, may choose to go beyond this minimum. The Davidson Review was looking at 'over-implementation' of EU legislation, to make sure that it did not lead to unnecessary regulatory burdens. Our submission emphasised the importance of *not* taking a minimalist approach when implementing anti-discrimination and human rights legislation, in order to ensure protection from discrimination and effective promotion of equality.

## 2. Towards integration



Promoting integration is central to everything we do. We continued to promote our vision of an integrated society as one incorporating equality of opportunity for all; participation by all in decision-making structures; and interaction between all racial groups. We concentrated on gathering evidence to contribute to the debate about how to achieve integration, by commissioning research and setting up monitoring systems to identify and tackle barriers to integration.

### Building an integrated society

In July, we set up the pilot for an 'early warning system' to monitor tensions between different ethnic groups in communities across Britain. This should help us identify potential problems, and understand how such tensions could lead to racist incidents. Staff in our new regional hubs ([see page 41](#)) monitored their local areas against a set of tension indicators based on the Department for Communities and Local Government's (DCLG) tension monitoring system, and through work with other organisations which monitor tension, such as the Muslim Safety Forum (MSF) and the Community Security Trust (CST). The hubs then submitted monthly reports on community tensions in their area, which were compiled into national reports for the CRE staff, and circulated to DCLG, MSF, CST and the National Community Tension Team. We will be making improvements to the system in 2007, in the hope that it will be carried on in the Equality and Human Rights Commission (EHRC) when we join in 2007.

We believe that one of the three essential components of an integrated society is civic participation. In 2006, we encouraged people from ethnic minority groups to participate in political life. We supported the 'Get Registered' campaign, which encourages the five million currently unregistered 18–24 year old to use their right to vote. At the Gaitskell memorial lecture at the University of Nottingham in February, Trevor Phillips, Chair of the CRE at the time, announced that we cannot achieve an integrated society unless more people from ethnic minority groups use their votes, and more achieve positions of power at all levels of British political life.

In March, the CRE Chair, commissioners and senior members of staff hosted a roadshow in Leicester to mark the International Day for the Elimination of Racial Discrimination. Leicester is one of the most ethnically diverse cities in Britain; it is estimated that by 2011, half its population will be from ethnic minorities, making it the first 'plural city' (cities where no one ethnic group is in the majority) in Britain ([see page 27](#)). Our roadshow brought together representatives from community groups, public authorities and other organisations to look at how they overcame the challenges of tackling segregation and encouraging integration. We met with local businesses to discuss racial equality in the workplace, and visited a number of local projects. These included Football in the Community, a project bringing young people together through football which we helped to fund; the St Phillip's Centre, which brings together people from different faiths and ethnic backgrounds; and the Peepul Centre, a successful regeneration project providing state-of-the-art services to the local community. We also met representatives from nine Regional Development Agencies (RDAs), the Welsh Assembly and the Scottish Parliament to discuss the role of public authorities' obligations under the Race Relations Act (RRA) in regeneration, planning, investment and sustainable development opportunities.

Notes (continued)

### 5. Other administration costs

	2006/7 £	2005/6 £
Operating leases – land and buildings	1,035,056	1,003,135
Operating leases – plant and machinery	85,206	75,184
Research and library services	160,761	158,546
Consultancy costs	191,840	565,904
Special commissioners' costs	105,531	0
Travel and subsistence	341,230	272,800
Rates	233,859	227,379
Telephone	312,862	265,932
Venue hire	168,112	101,253
Production costs	257,496	190,555
Promotions	500,872	485,215
Racial Equality Council (REC) and other grants	4,731,025	3,614,447
Auditors' remuneration	57,000	47,000
Adjustment to pension provision	0	75,000
Finance lease costs	1,920	2,880
Other costs	2,741,185	2,964,878
<b>Total</b>	<b>10,923,955</b>	<b>10,050,108</b>

All grants were made to charitable organisations.

### 6. Tangible fixed assets

	Information Technology Hardware £	Furniture and Fittings £	Total £
Cost or valuation at 1 April 2006	1,068,316	400,486	1,468,802
Additions	169,587	58,112	227,699
Disposals	0	0	0
Reclassifications	0	0	0
Revaluations	(90,211)	4,716	(85,495)
<b>At 31 March 2007</b>	<b>1,147,692</b>	<b>463,314</b>	<b>1,611,006</b>
<b>Depreciation</b>			
At 1 April 2006	572,165	301,288	873,453
Charged in year	241,933	37,234	279,167
Disposals	0	0	0
Reclassifications	0	0	0
Revaluations	(59,633)	3,481	(56,152)
<b>At 31 March 2007</b>	<b>754,465</b>	<b>342,003</b>	<b>1,096,468</b>
<b>Net book value at 31 March 2007</b>	<b>393,227</b>	<b>121,311</b>	<b>514,538</b>
<b>Net book value at 31 March 2006</b>	<b>496,151</b>	<b>99,198</b>	<b>595,349</b>

## Notes (continued)

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded, multi-employer-defined benefit scheme but the CRE is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2006. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensions.gov.uk](http://www.civilservicepensions.gov.uk)).

For the year ended 31 March 2007, employer's contributions of £1,215,839 were payable to the PCSPS (2005/6: £1,012,406) at one of four rates in the range 17.1 to 26.5 per cent of pensionable pay based on salary bands. The scheme's actuary reviews employer contributions every four years, following a full scheme valuation. Rates will remain the same next year, subject to revalorisation of the salary bands. The contribution rates reflects benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account – a stakeholder pension with an employer contribution. None of the CRE's employees belong to such a scheme.

Average number of persons employed	2006/7					2005/6
	Total	Permanently Employed Staff	Others	Commissioners	Secondees	Total
Corporate and government relations	26	12	1	13	0	27
Countries, regions and communities	70	63	6	0	1	52
Finance and support services	21	12	8	0	1	13
Legal services and enforcement	47	36	10	0	1	42
Organisational development	19	16	3	0	0	18
Policy and public sector	28	25	3	0	0	20
Private sector	12	12	0	0	0	10
Strategy and communications	37	32	5	0	0	28
<b>Total</b>	<b>260</b>	<b>208</b>	<b>36</b>	<b>13</b>	<b>3</b>	<b>210</b>

On the day of the roadshow, we also held a major national meeting with representatives from the nine RDAs, as well as public authorities in each government office region, which are responsible for the economic strategy of each region, as well as regeneration, sustainable development and employment. We discussed their obligations under the RRA, and how they could promote racial equality through their work.

## Asylum and immigration

The 'Councils Making the Most of Migration' conference in November brought together local authorities from across Britain to show how they could integrate refugees, asylum seekers and immigrants into British society. We co-organised the conference with the Institute for Public Policy Research (ippr) and the Local Government Information Unit. We led workshops to look at policies on integrating new migrants, and presented examples of good practice.

We also contributed to *Working in the UK*, which was published in the autumn by the Centre for Economic and Social Inclusion. The handbook is designed to help advisers, representatives and advocates working with migrants to understand migrants' rights, and the support available to them in such areas as employment, welfare, learning English and being a British citizen.

We produced several research reports on life for immigrants in the UK in 2006 ([see page 28](#)), including a piece of research by ippr on the reception and integration of new migrants.

## Safe Communities Initiative

The three-year Safe Communities Initiative (SCI), which was launched in March 2003, came to an end in 2006. It was set up to provide information and advice on promoting integration and good race relations, tackling extremism and preventing conflict within communities. SCI was led by an independent advisory group, chaired by former commissioner of the City of London Police, Perry Nove, and included representatives from voluntary, faith and governmental organisations.

In March, SCI published ten case studies of its work in situations of conflict. Based on interviews with staff from the CRE and other organisations, the case studies looked at how far the aims of each project had been met, and offered advice for anyone interested in running similar projects. The case studies were published on the CRE website, and some were featured in the *Community Conflict Resource Pack* published by the Office of the Deputy Prime Minister in March.

Organised racist activity is very damaging to integration; it can lead to fractures within neighbourhoods by encouraging hate and division. Following a conference we held in 2005 on how to tackle organised racial hatred and extremism, SCI produced *Defeating Organised Racial Hatred: An information pack*, in the lead-up to the 2006 local elections. The guide, aimed at local authorities, community groups, the police and other organisations, includes advice on which parts of the law may be useful in combating the activities of racist groups. It also provides good practice examples and guidance on ensuring good race relations during an election period, as well as myth-busting briefings and links to other sources of useful information.

In April, SCI co-hosted, with the University of Birmingham, a seminar on how to legislate against terrorism, the first of its kind in the UK. 'Anti-Terrorism Laws: The



experiences of the Irish and Muslim communities in the UK' drew together speakers from voluntary organisations, community groups and universities, to look at the lessons to be learned from Irish and Muslim experiences of UK anti-terrorism law. It was attended by 50 delegates, including representatives from racial equality councils, Irish cultural and community organisations, Muslim organisations, universities and voluntary organisations. SCI produced a report of the seminar.

## Gypsies and Irish Travellers

SCI began its work to resolve community tensions and promote integration in the village of Cottenham in 2005, when a planned eviction of Irish Travellers from the village site exacerbated tensions between them and the rest of the local community. In 2006, SCI completed its work in the village by helping to set up a group where local people from all ethnic and social backgrounds could discuss and tackle community tensions.

In November, SCI published *Partnership and Good Community Relations*, which gives practical guidance on how organisations, including local authorities, the media and the police, can tackle conflict between Gypsies and Irish Travellers and the rest of the local community. The guide draws on SCI projects for examples of good practice. It is available on the CRE website. SCI joined the DCLG's new Gypsy and Irish Traveller Enforcement Task Group in July. SCI encouraged the group to concentrate on how to make sure public authorities meet their duty to promote good race relations under the RRA ([see page 10](#)) when working with Gypsies and Irish Travellers, rather than concentrating on the policing of unlawful encampments. We worked with individual public authorities through the group, to promote the recommendations of the CRE's *Common Ground*, a report on the provision of sites for Gypsies and Irish Travellers ([see page 19](#)).

Notes (continued)

## 2. Grant-in-Aid

	2006/7 £	Restated 2005/6 £
Revenue grant received from DCLG	18,863,482	18,664,148
Revenue grant received	18,863,482	18,664,148
Capital grant received for purchase of fixed assets	0	0
Grant-in-Aid received for the purchase of fixed assets	236,518	435,852
<b>Total grant received</b>	<b>19,100,000</b>	<b>19,100,000</b>

## 3. Other Income

	2006/7 £	Restated 2005/6 £
<b>Other operating income</b>		
Sport England grant	57,632	140,000
Croeso project	100,000	75,000
Invest to Save	0	117,112
	<b>157,632</b>	<b>332,112</b>
<b>Income from activities</b>		
Bank interest	60,275	61,623
Publication sales	30,615	7,596
Other sources	198,364	179,250
	<b>289,254</b>	<b>248,469</b>

## 4. Staff numbers and related costs

Staff costs comprise	2006/7 £					2005/6 £
	Total	Permanently Employed Staff	Others	Commis- sioners	Secondees	Total
Wages and salaries	8,107,133	6,513,078	1,375,359	114,079	104,617	7,456,116
Social security costs	571,294	543,837	0	18,230	9,227	505,149
Other pension costs	1,327,633	1,305,577	0	0	22,056	1,179,826
<b>Total costs</b>	<b>10,006,060</b>	<b>8,362,492</b>	<b>1,375,359</b>	<b>132,309</b>	<b>135,900</b>	<b>9,141,091</b>
Less recoveries in respect of outward secondments	(314,949)	(314,949)	0	0	0	(135,176)
<b>Net costs</b>	<b>9,691,111</b>	<b>8,047,543</b>	<b>1,375,359</b>	<b>132,309</b>	<b>135,900</b>	<b>9,005,915</b>

This scheme is unfunded and the CRE is liable for future payment of pensions. The cost of benefits accruing during the year is charged against staff costs in the income and expenditure account. The increase in the present value of the scheme's liabilities arising from the passage of time is charged to the income and expenditure account. Actuarial gains and losses are recognized in the statement of recognised gains and losses, and taken directly to reserves.

#### 1k. Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the CRE, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in the relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

#### 1l. Provisions

The CRE provides for legal or constructive obligations including early retirement costs, redundancy costs, and dilapidation costs which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury discount rate of 2.2 per cent in real terms.

#### 1m. Value Added Tax

Most of the activities of the CRE are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### 1n. Dilapidations

The dilapidations provision relates to leasehold premises. The costs are expected to be incurred between 2004 and 2007 (lease break date). A dilapidation provision on vacated buildings is maintained until dilapidation negotiations have been finalised.

#### 1o. Third party assets

The CRE does not hold any assets on behalf of third parties. No assets are held by any third parties on behalf of the CRE.

#### 1p. Grant income recognition

Grants received for project work not yet commissioned and the associated bank interest are classed as deferred income.

## COMMISSION FOR RACIAL EQUALITY

### 3. Regulating for equality the race equality duty



In 2001, the Race Relations Act (RRA) was amended to give around 43,000 public authorities a statutory duty to promote race equality (also referred to as the race equality duty). The aim was to help them to provide fair and accessible services, and to improve equal opportunities in employment. The race equality duty requires public authorities to pay 'due regard' to the need to eliminate unlawful racial discrimination and to promote equality of opportunity and good race relations. Some authorities are also bound by specific duties; for example, they must publish a race equality scheme (or a race equality policy, for schools and further and higher education institutions), listing the functions they have identified as being relevant to racial equality, and describing their arrangements for meeting the duty.

#### Inspection and audit

We monitored a wide range of public authorities on their compliance with the race equality duty in 2006, including universities and other higher education institutions, local authorities and inspectorates. We will report our findings in 2007 and take action, as needed. We also monitored fire authorities and Whitehall departments on their compliance with the requirement under the race equality duty to monitor their workforce by ethnicity. This led to our taking some compliance action ([see page 22](#)).

The Healthcare Commission audited 570 NHS health trusts on their race equality schemes. It found that 40 per cent had not published a current race equality scheme, only six per cent had published data on the ethnicity of their employees, and just four per cent had published the results of Race Equality Impact Assessments (REIAs) of their policies. At the end of 2006, we were in the process of reviewing this information, and considering the possibility of compliance action against some trusts.

#### Promoting good race relations

In 2005, we launched *Promoting Good Race Relations: A guide for public authorities*. The guide, produced as a CD-ROM and as webpages on the CRE website, gives public authorities advice on the steps they need to take to promote good race relations. In 2006, we started to look at ways of evaluating its effectiveness.

#### Local government

Our new regional hubs ([see page 41](#)) worked with local authorities and local service providers, to help them to meet their requirements under the race equality duty.

We also worked at a national level to influence public policy. In late 2006, the government released the White Paper, *Strong and Prosperous Communities*, and the Local Government and Public Involvement in Health Bill, both of which included proposals for devolving more powers to local government and local areas. These proposals aim to devolve certain budgets and more decision-making power to local



people through forums such as neighbourhood councils. We produced a briefing for MPs on the White Paper, and made a submission to the Bill committee, highlighting the need to ensure that these increased powers would be used by all, and for the benefit of all. In some cases, for example tenants' and residents' associations, this does not always happen, with those participating often being those who have the time, skills and confidence to get involved. We emphasised the importance of ensuring equality of participation in these forums, so that everyone can have a say in how their local services are run. We also discussed these issues with the Audit Commission and the Department for Communities and Local Government.

The White Paper set out detailed arrangements for revising the performance management and inspection framework for local authorities. This included a reduction in the number of targets and performance indicators for local government, and in the number of inspections – from a regular inspection regime to inspection only in response to an identified risk. We were concerned that this could lead to the loss of important information about local services and weaken the ability to identify inequality, for instance in access to services and customer satisfaction. Alongside the Equal Opportunities Commission (EOC) and Disability Rights Commission (DRC), we met the Audit Commission to discuss how the revised performance framework would ensure that the work local authorities do to promote equality was effectively monitored. We focused on the need for specific performance indicators relating to equality, as well as breaking down other performance indicators by ethnicity. We emphasised too that poor performance in promoting equality should also be included as one of the 'risks' leading to an inspection.

We worked closely with the Treasury to make sure that racial equality was included in Public Service Agreements (PSAs), which are cross-departmental targets for government. PSAs are of great importance in influencing the allocation of resources and objectives for all national, regional and local government services.

In 2006, the Improvement and Development Agency for Local Government (IDeA) produced a revised, and expanded, *Equality Standard for Local Government*. The new standard, which consists of five levels of achievement, now makes provisions for promoting equality in relation to sexual orientation, age and religion or belief, as well as meeting the current duties on promoting gender, disability and race equality. Although it plays an important role in encouraging councils to promote equality, with the help of tools such as equality impact assessments, the CRE, the EOC and the DRC decided to withdraw corporate endorsement of the standard. This was because compliance with the duties, which is an absolute requirement, was only reflected at level five.

We also worked with the EOC and the DRC on our submission on round nine of the Beacon Scheme. The scheme identifies excellence and innovation in local government, and sets new 'themes' each year, representing issues that are important in people's lives, and that reflect government priorities. We commented on the equality and diversity criteria for the themes proposed for this round, and suggested new themes. We hope that in the future we will be involved in helping to develop themes earlier in the process, to make sure they are based on robust equality and diversity criteria. We also helped to develop equality and diversity training for the scheme's advisory panel.

Concerned by the myths that were being propagated by extremist parties in the run-up to the London elections in May 2006, and their consequences for good race relations and community cohesion, we set up a new group to consider how local authorities might tackle similar misinformation being put about during the May

## Notes (continued)

Grant relating to capital expenditure used to acquire specific capital items is credited to a government grant reserve. It is released to expenditure over the expected useful life of the asset it has been used to acquire and an equal amount transferred from the government grant reserve is released to income.

### 1c. Accounting conventions

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets and stocks.

### 1d. Other income

Other income is accounted for by applying the accruals convention, and is recognised in the period in which services are provided.

### 1e. Fixed assets

Intangible and tangible assets are capitalised when the purchase price is £500 or more. Where fixed assets are acquired using Grant-in-Aid funding, they are capitalised and the grant is included in the general reserve.

### 1f. Depreciation/amortisation

Depreciation/amortisation is provided on all fixed assets on a straight line basis to write off the cost or valuation evenly over the assets' anticipated life, as follows:

IT hardware	up to four years
Software systems and licences	three years
Furniture and office equipment	five years

### 1g. Revaluation

In order to disclose fixed assets in the balance sheet by reference to current costs, the appropriate index has been applied to each asset. Permanent diminution in the value of fixed assets is charged to the income and expenditure account.

### 1h. Cost of capital charge

A charge reflecting the cost of capital used by the Commission is included in the operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities.

### 1i. Stocks

Expenditure on consumables and stationery is written off as incurred. Goods for resale are valued cost or net realisable value, whichever is lower.

### 1j. Pension costs

Past and present employees of the CRE are covered by the provisions of Superannuation Acts 1965 and 1972 and subsequent amendments. Staff are members of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme, and the CRE is unable to identify its share of the underlying assets and liabilities. In accordance with FRS17, the income and expenditure account is charged with contributions made in the year. Chairs of the CRE are provided with individual defined benefit schemes which are broadly analogous with the PCSPS.

# Notes to the Accounts

## 1. Accounting policies

### 1a. Basis of accounts

These financial statements have been prepared in accordance with the Accounts Direction given by the Secretary of State for the Department for Communities and Local Government with the consent of HM Treasury. The accounts have therefore been prepared in accordance with applicable accounting standards and form directed by the 2006/7 Financial Reporting

Manual (FReM). The accounting policies contained in the FReM follow the UK's Generally Accepted Accounting Practice (UK GAAP) for companies to the extent that it is meaningful and appropriate to the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the CRE for the purpose of giving a true and fair view has been selected. The CRE's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### 1b. Change of accounting policy

With effect from the 2006/7 reporting period the FReM requires non-departmental public bodies (NDPBs) to account for Grants and Grants in Aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change in accounting policy from earlier periods when such items were recorded as income. The effect of this change in the certified 2005/6 accounts and the impact of the change on the results of the current year is shown below. Note there is no impact on the net liability position of the CRE as a result of this change in policy:

	At 31 March 2006 (as previously stated)	Impact of adopting the new policy	At 31 March 2006 (restated)
Net expenditure for 2005/6	166,073	(19,002,522)	(18,836,449)
General reserve	(1,203,594)	740,069	(463,525)
Government grant reserve	740,069	(740,069)	0

	At 31 March 2007 (without applying the new policy)	Impact of adopting the new policy	At 31 March 2007 (applying the new policy)
Net expenditure for 2006/7	(1,339,167)	(19,240,753)	(20,579,920)
General reserve	(2,649,192)	566,082	(2,083,110)
Government grant reserve	566,082	(566,082)	0

### Grant and Grant-in-Aid

Grant-in-Aid and grant received and used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

2007 local elections in England. The group comprised representatives from local government organisations, the IDeA, the Local Government Information Unit, and the Local Government Association, as well as the Department for Communities and Local Government, the Institute for Community Cohesion, the Standards Board and the trade union, UNISON. The group sent letters to all council chief executives, reminding them of their legal responsibilities under the RRA, and urging them to take action to correct any misinformation being circulated during the election period, for example, by using resources such as *Defeating Organised Racial Hatred* (see page 4). The group also planned conferences for communications and legal officers from councils, to let them know about the legislation on racial equality and to share examples of good practice, where councils have succeeded in tackling extremism and promoting community cohesion. These conferences will take place in 2007, before the local elections.

We continued to run the Equality in Service Provision Group, which was set up in 1996 to promote equality in procurement. The group includes local government officers from across Britain, and equality experts.

## Education

We worked with the Training and Development Agency for Schools to ensure equality of access to teacher training courses. We also worked with the Department for Education and Skills (DfES) on a range of issues, including encouraging ethnic minority parents to become more involved in their children's education, making sure that schools' admissions policies promote racial equality, and ensuring that proposed out-of-hours services provided by schools meet the needs of the local community. We worked with the DfES as part of its 14–19 Education and Skills group, where we stressed the importance of carrying out robust REIAs, and of ensuring that both learners and providers are involved in developing policies that promote racial equality. We also met officers from the DfES to discuss their REIA on the White Paper *Further Education: Raising Skills, Improving Life Chances*. While we felt that lessons had been learnt since previous REIAs, we were concerned about new proposals for access to English language lessons, and urged the DfES to carry out an REIA on these.

We took up our membership of the General Teaching Council for England, where the CRE is represented on the investigative committee, set up to look at teachers' conduct and performance. Along with representatives from the EOC and the DRC, we also sat on the Learning and Skills Council's Equality and Diversity Committee, which works to ensure that the Council meets its duty under the Learning and Skills Act 2000 to promote equality in the areas of race, sex and disability. We gave both oral evidence and a written submission to the Education and Skills Select Committee's inquiry on citizenship education. While the CRE supports the idea of citizenship education, we believe it should be included within all subject areas, instead of just being taught separately.

We secured an amendment to the Education and Inspection Act 2006 ensuring that schools promote community cohesion, and that Ofsted has a duty to report on individual schools' performance on this (see page 4). We also responded to the consultation on the new admissions code for schools, emphasising the importance of ensuring equality and inclusivity in the way that admissions are managed.

We began working with the Universities and Colleges Union to monitor whether further education institutions are meeting their duty to carry out REIAs, have an appropriate race equality policy in place, and are using ethnic monitoring data to inform policy



development. The exercise will identify areas of non-compliance and highlight examples of best practice. We will report on the findings in 2007.

Health and social care

In March, the Home Office abolished permit-free training for overseas doctors and dentists, and introduced a work permit scheme. The changes meant that only those who had completed their medical or dental studies in the UK would be eligible to apply for training as postgraduate doctors or dentists. The REIA which we pressed the Immigration and Nationality Directorate to carry out on the rules showed that people from outside the European Economic Area were adversely affected by them.

In 2006, we continued to work with the Postgraduate Medical Education and Training Board (PMETB), which is responsible for promoting postgraduate medical education and training for all specialities, including general practice, across the UK. We helped them to set up an equality and diversity group, and to develop an equality scheme which included plans to encourage the Royal Colleges to adopt equality and diversity standards in carrying out their core functions, including curriculum setting and assessment, examination procedures and monitoring.

Criminal justice

Following our formal investigation into the police service in 2005, we worked with the Police National Diversity Team to make sure the investigation’s recommendations had been implemented, and we held a joint conference in November to consider progress. We found that our recommendations on operational standards, recruitment and selection, inspections, training and misconduct procedures had been implemented. However, work remained to be done in areas such as performance appraisal (including recording racist behaviour in appraisal documentation), and the powers of police authorities and how they met their responsibilities, particularly in terms of racial equality.

In 2005, we wrote to the Home Office asking for a breakdown, by ethnicity, of stops and searches under the Terrorism Act. In November, the Home Office let us know that ethnicity data for 2005 and 2006 would not be available until 2007, but we were able to collect data from a number of individual police services, including the Metropolitan Police. This showed that many more Asian people had been stopped and searched in the period after the London bombings in July 2005, with the numbers dropping back to pre 7/7 rates by spring 2006. We also prepared a paper for the Home Office – chaired Stop and Search Action Team, on the pattern of stops and searches conducted under all police powers. In much of the north of England and Wales, the ratio of people from ethnic minorities to White people being stopped and searched was very even – about 1:1 – but in other forces, mostly in the south and east of England, the proportion of people from ethnic minorities being stopped and searched was much higher – up to 3:1 for Asian people and 10:1 for Black people. We will continue to work on these issues in 2007.

We worked with the National Probation Directorate, the head office of the National Probation Service, to make sure that all the probation areas, or offices, across England and Wales, had race equality schemes. Most areas are now compliant and the directorate agreed to make sure that all will be by early 2007. The directorate also looked at how well the requirements of the race equality duty had been met in different parts of England and Wales, to identify and promote good practice.

Cash Flow Statement

For period ended 31 March 2007

	Note	2006/7 £	Restated 2005/6 £
Net cash outflow from operating activities	14	(21,059,784)	(17,802,504)
Capital expenditure on Fixed Assets	6, 7	(236,518)	(435,852)
Net cash outflow before financing		(21,296,302)	(18,238,356)
Financing		19,100,000	19,100,000
Increase/(decrease) in cash in the period		(2,196,302)	861,644

The notes on pages 74 to 86 form part of these accounts

## Balance Sheet

As at 31 March 2007

	Note	2006/7 £	Restated 2005/6 £
<b>Fixed assets</b>			
Tangible assets	6	514,538	595,349
Intangible assets	7	51,544	144,720
		566,082	740,069
<b>Current assets</b>			
Stocks	8	15,364	13,890
Debtors	9	868,355	438,389
Cash at bank and in hand	10	357,599	2,553,901
Sub-total current assets		1,241,318	3,006,180
Creditors (amounts falling due within one year)	11	(2,832,244)	(2,984,416)
<b>Net current assets</b>		<b>(1,590,926)</b>	<b>21,764</b>
<b>Total assets less current liabilities</b>		<b>(1,024,844)</b>	<b>761,833</b>
Provisions for liabilities and charges	12	(92,266)	(407,258)
Pension liability	12	(966,000)	(818,100)
<b>Total</b>		<b>(2,083,110)</b>	<b>(463,525)</b>
<b>Capital and reserves</b>			
General reserve	13	(2,083,110)	(463,525)
		<b>(2,083,110)</b>	<b>(463,525)</b>

Signed on behalf of the board of commissioners by:

**Maxine Ayton**  
Chief Executive and Accounting Officer  
5 January 2009

*The notes on pages 74 to 86 form part of these accounts*

Our long-running work with the Crown Prosecution Service (CPS) to promote equality in its employment practices, which began in 2003 following our formal investigation into a branch of the service, was acknowledged in a CPS inspectorate report published in November 2006. The report, *Equalities Driving Justice*, also identified some remaining areas for improvement. We will continue to work with the CPS on these in 2007.

We continued to work with the Department of Constitutional Affairs, and succeeded in helping them to increase the number of people from ethnic minorities appointed to become magistrates and judges. We also wrote to them in December to ask for comprehensive ethnic monitoring of sentencing in British courts, to comply with the race equality duty, and we will pursue this in 2007.

When we published the findings of our formal investigation into the prison service in 2003, the service agreed to implement a detailed three-year action plan to promote racial equality. However, even though we have worked with the service since then to help them implement this plan, a number of incidents occurred – including racially-motivated problems in specific prisons, and reports from HM Inspectorate of Prisons – which suggested the service was not meeting its requirements under the race equality duty. We therefore felt unable to sign up to a follow-up action plan in 2006, and instead met representatives from the prison service in March to discuss our concerns. The service agreed to establish the Prison Service Race Scrutiny Board, to investigate both public and private sector prisons. We consulted the Home Office in deciding how the board would work and who would sit on it. The board will meet for the first time in early 2007.

We also worked with the National Offender Management Service (NOMS), the system through which private providers are commissioned to provide prison services, to promote racial equality in private sector prisons. We concentrated on the need to include clauses on promoting racial equality in contracts with private providers, and to make racial equality a central concern in the formulation of all NOMS' policies.

In June 2006, the final report of the public inquiry into the murder of Zahid Mubarek at Feltham Young Offender Institution was published. We submitted written evidence to the inquiry in 2005. The report detailed 186 individual and systemic failures at Feltham, and made 88 recommendations for improvement, 10 of which related to race.

### Housing

In October 2006, we published our *Statutory Code of Practice on Racial Equality in Housing*. This new code, produced in three versions for England, Scotland and Wales, replaces our previous codes on rented and owner-occupied housing, and contains recommendations and guidance on how to avoid unlawful racial discrimination and harassment in housing. It outlines the legal obligations of housing organisations under the RRA and contains general advice on the policies they need to safeguard against discrimination, as well as more detailed recommendations on the procedures and practices that will help ensure fair and equal treatment for everyone. We consulted a wide range of housing providers in developing the code.

### Young people

We produced a paper identifying the factors that affect life chances and outcomes for young people from ethnic minorities, and helped and advised projects working with children and young people across England and Wales.

We are committed to encouraging people from ethnic minorities to use ‘early years’ services, which cater for children up to five years old, and we worked in partnership with the Daycare Trust on a survey of local authorities’ ethnic monitoring of these services. We also worked with the Children’s Workforce Development Council and National Evaluation of Sure Start – national organisations working to improve the lives of children – to make racial equality and the needs of ethnic minority children part of their work programmes.

We cooperated with the Economic and Social Research Council on a research project looking at how justice in the youth justice system, particularly at Feltham Young Offenders Institute, is affected by race and geography, and findings will be published in 2008.

## Employment

We worked closely with the Trades Union Congress (TUC) through the CRE/TUC Liaison Committee. The committee meets quarterly to discuss issues of mutual interest, exchange information and provide updates on the two organisations’ main priorities. Through this committee, we also contributed to the TUC’s publication *Collective Bargaining for a Fair Workplace*, a tool to help union representatives deal more effectively with issues of racial equality. This will be published in summer 2007.

We also worked with the TUC on promoting the CRE’s revised *Statutory Code of Practice on Racial Equality in Employment*, through a number of events across the country. The code came into force in April 2006. It gives employers, trade unions, recruitment agencies, professional organisations and individual workers in Britain practical guidance on how to avoid unlawful racial discrimination and harassment in employment. It outlines employers’ legal responsibilities under the RRA, and recommends procedures and practices that will help ensure fair and equal treatment for everyone. The code was launched in March at an event held at the BT Tower attended by Margaret Hodge, minister of state at the Department for Work and Pensions.

We also produced *Employment and Ethnicity*, as part of our series of fact: files, which provide statistics and analysis on racial equality in different sectors ([see page 28](#)).

## Working with business

Many ethnic minority-owned businesses are small and tend to be underrepresented as suppliers to large organisations. In 2006, we concentrated on encouraging organisations in the public and private sectors to introduce supplier diversity programmes. These programmes allow ethnic minority owned businesses to compete for contracts on equal terms with other businesses. We began work on a new publication, *Supplier Diversity: A guide for purchasing organisations*, which will be published in early 2007. We also encouraged public sector organisations to implement procurement programmes that do not disadvantage ethnic minority-owned businesses, through our work with the Ethnic Minority Employment Task Force and the National Employment Panel. We worked with the Olympic Development Authority and others to make sure that the plans for the 2012 Olympic Games include provisions for supplier diversity in procurement.

In early 2006, we helped to set up ‘Race for the Professional’, a network of professional associations seeking to promote racial equality within the professions and in business.

## Statement of Recognised Gains and Losses

For the period ended 31 March 2007

	Note	2006/7 £	Restated 2005/6 £
Grant-in-Aid	2	19,100,000	19,100,000
Gain (loss) on revaluation of tangible fixed assets	6	1,235	(22,633)
Actuarial (loss) surplus	13	(140,900)	53,000
<b>Recognised gain for the period</b>		<b>18,960,335</b>	<b>19,130,367</b>

*The notes on pages 74 to 86 form part of these accounts*



## Income and Expenditure Account

For the period ended 31 March 2007

	Note	2006/7 £	Restated 2005/6 £
<b>Operating income</b>			
Income from activities	3	289,254	248,469
Other operating income	3	157,632	332,112
<b>Total operating income</b>		<b>446,886</b>	<b>580,581</b>
<b>Operating costs</b>			
Staff costs	4	(9,691,111)	(9,005,915)
Other operating costs	5	(10,923,955)	(10,050,108)
Loss on revaluation of fixed assets	6, 7	(34,469)	(22,633)
Depreciation	6, 7	(377,271)	(338,374)
Notional cost of capital		44,566	21,013
<b>Total operating costs</b>		<b>(20,982,240)</b>	<b>(19,396,017)</b>
<b>Net expenditure before appropriations</b>		<b>(20,535,354)</b>	<b>(18,815,436)</b>
Notional cost of capital		(44,566)	(21,013)
<b>Net expenditure for the financial year</b>		<b>(20,579,920)</b>	<b>(18,836,449)</b>

All activities were continuing in the year.

*The notes on pages 74 to 86 form part of these accounts*

Organisations involved included the Chartered Institute of Housing, the Chartered Institute of Personnel and Development, and the Law Society. Through the network, we hope to raise standards of training within the professions, and influence business practice across Britain.

## 4. Using our legal powers



In 2006, we published the results of our inquiry into local authorities' race and community relations work on providing sites for Gypsies and Irish Travellers, and launched a formal investigation into physical regeneration projects. As well as checking that the specific requirements of the race equality duty were met by a variety of organisations ([see page 10](#)), we also helped to resolve complaints about breaches of the general duty by organisations ranging from colleges and police constabularies to local authorities and central government departments.

We also intervened in two legal cases. The first was as part of the judicial review into the eviction of Irish Travellers from the Dale Farm encampment in Basildon ([see page 25](#)). For the second case, we joined the Disability Rights Commission (DRC) and Equal Opportunities Commission (EOC) to support an appeal in a claim of victimisation ([see page 19](#)).

There were also three cases of potentially unlawful 'No Travellers' signs. In two of these, we received signed assurances that the respondent would comply with the law in future. In the third, the respondent did not respond to our enquiries, but we were informed by the complainant that the sign had been removed.

As part of our commitment to the creation of a legal profession that is representative of the people it serves, we sponsored the first ever Paralegals Awards in 2006. The event, organised by the Institute of Paralegals, recognised the professional contribution of paralegals, and their commitment to diversity in the legal profession.

### Advice, assistance and representation

In 2006, we received 1,120 applications for assistance. This represented a small increase of 9% on applications received in 2005. As in 2005, just over half of the applications for assistance received in 2006 were related to employment ([see Table 1](#)).

In 2006, we offered 88% of applicants (958) a full advice and assistance service, representing a huge increase of 90% on the previous year ([see Table 2](#)). Eleven applicants were offered advice and assistance limited to conciliation and 23 – a considerably greater number than in 2005 – were given full CRE representation. The majority of these applicants were Asian (39%) or Black (35%).

### 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 Commission and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the 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 mis-statement, 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 Race Relations Act 1976 and directions made thereunder by the Secretary of State for Communities and Local Government, of the state of the Commission's affairs as at 31 March 2007 and of its net expenditure for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Race Relations Act 1976 and Secretary of State for Communities and Local Government's directions made thereunder; and
- information, which comprises the management commentary, included within the Annual Report, is consistent with the financial statements.

### 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  
14 January 2009

## 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 Commission for Racial Equality for the year ended 31 March 2007 under the Race Relations Act 1976. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses 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 Commission, Accounting Officer and Auditor

The 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 Race Relations Act 1976 and Secretary of State's directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Commission 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 Race Relations Act 1976 and Secretary of State's directions made thereunder. I report to you whether, in my opinion, the information, which comprises the management commentary, 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 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 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 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 Foreword, main body of the report, and appendices one to four. 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.

Table 1: Applications for assistance received, by region and country, 2006

CRE office	Employment		Non-Employment		Total	
	Jan-Dec 2005	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2006
Manchester	34	50	86	62	120	112
Scotland	21	35	39	41	60	76
Birmingham	26	58	34	59	60	117
Wales	28	31	21	24	49	55
London and South	429	442	310	318	739	760
Total	538	616	490	504	1,028	1,120
% of total	52	55	48	45	100	100

Table 2: The CRE Legal Committee decisions, 2006

	Jan-Dec 2005	Jan-Dec 2006
Full CRE legal representation	3	23
Limited CRE representation	0	7
Representation jointly with others	2	0
Full CRE advice and assistance	503	958
Limited CRE advice and assistance	10	11
Representation by racial equality councils	39	21
Representation by trade unions	10	8
Representation by others	21	30
Total	588	1,058

Note: Where advice and assistance were limited, this was restricted to conciliation through a legal affairs officer. A total of 16 applications were either out of scope or out of time, and 79 applicants withdrew their applications.

Table 3: Applications received, by ethnic group and sex, 2006

CRE office	Male		Female		Not Provided		Total	
	Jan-Dec 2005	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2006
White	53	73	45	47	0	0	98	120
Mixed	9	13	2	5	0	0	11	18
Asian	141	192	55	81	0	7	196	280
Black	296	302	181	231	0	6	477	539
Chinese	4	14	11	8	0	0	15	22
Other	142	87	89	49	0	5	231	141
Total	645	681	383	421	0	18	1,028	1,120

Note: The 'Other' category includes those who did not state their ethnic origin (44), as well as Gypsies and Irish Travellers (13), and Jews (3), who are protected groups under the Race Relations Act.

The breakdown of applicants by ethnic group and sex was similar in 2006 to that in

2005: as in 2005, almost two-thirds of applications for assistance were from men, the greatest proportion of applicants were Black (46% in 2005 and 48% in 2006), and the proportions of applicants from other ethnic groups were very similar (see Table 3).

Most applications (53%) came from the public sector, with the largest number (167) coming from local government – a change from 2004 and 2005, when the largest number came from the courts, police, prison and probation services (see Table 4).

Far more cases were settled by our litigation and casework department in 2006 than in 2005. The value of settlements recovered in compensation for victims of discrimination was more than £2.1 million.

**Table 4: Applications received, by industrial classification of respondent, 2006**

Type of respondent	
Service employers (eg banks, insurance, legal, business, employment agencies)	156
Manufacturing	23
Utilities	8
Construction	9
Retail	37
Restaurants/pubs/clubs/sports and leisure	28
Hotels	8
Transport	28
Communications	18
National government (not defence)	54
Local government (including fire service)	167
National defence (not police)	11
Justice departments (courts, police, prison, probation)	129
Education	131
Health	102
Membership organisations	58
Media	7
Racial equality councils	1
Housing trusts and associations	30
Named individuals	15
Unknown	100
Total	1,120

**FORMAL INVESTIGATIONS**

**London Borough of Hackney**

In 2005, we reported on the expiry of the statutory five-year non-discrimination notice we issued against the London Borough of Hackney in December 2000.

In December 2005, we agreed with the council that we would continue to monitor its arrangements for meeting its specific duties on employment under the race equality duty. In 2006, we produced a report of the investigation, which we will publish in 2007.

**Discharging the Residual Functions of the Commission for Racial Equality**

Following the dissolution of the CRE on 30 September 2007, SI 2602 of 2007 required the Equality and Human Rights Commission to discharge the remaining functions of the CRE in preparing final annual reports and accounts. I, Nicola Brewer (as Accounting Officer of the Equality and Human Rights Commission) therefore inherited responsibility for completing the final annual report and accounts of the CRE 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 Maxine Ayton, who was the Accounting Officer for the CRE until 30 September 2007 to sign off the accounts.
- Those physical assets of the CRE which transferred to the Equality and Human Rights Commission were duly recorded
- The outstanding liabilities were discharged and assets collected under the guidance of a former senior manager of the CRE and a professional accounting firm, and the work done was regularly reported on to Maxine Ayton.
- The Nation Audit Office were provided with all assistance in the discharge of their auditing duties.

**Nicola Brewer**  
Chief Executive, Equality and Human Rights Commission  
5 January 2009



planning process with risk owners/managers assigned to each one. The process was overseen by a risk champion to act as the facilitator for risk management and to provide a focal point for future risk management activity.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of its effectiveness is informed by the work of the internal auditors and the executive managers within the CRE who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

During 2006/7, the Home Office Audit and Assurance Unit provided the internal audit service to the CRE. Reviews were carried out on the following areas:

Work area/audit title	Assurance
Financial control framework	
• Accelerated accounts process	Well controlled
• Travel and subsistence	Less than adequately controlled
Corporate governance	Adequately controlled
Risk management	Less than adequately controlled
Management accounting	Adequately controlled
Procurement	Adequately controlled
Human resources – recruitment	Review terminated
Income generation and resilience (2 reports)	Adequately controlled
Regional compliance	Less than adequately controlled
Business continuity planning	Adequately controlled
Legal	Adequately controlled

The Human resources – recruitment review was terminated because the CRE was reconsidering its priorities given its imminent closure in September 2007, so no recruitment was either planned or taking place at the time.

Corrective action was being taken to address the issues raised where the opinion was ‘less than adequately controlled’ and progress was made in implementing the related audit recommendations. However, as a result of the work carried out throughout 2006/7 the Head of Internal Audit concluded that the control environment within the CRE during the year was ‘less than adequately controlled’. The DCLG Internal Audit Service took over as the CRE’s auditors with effect from April 2007 and their programme of work included addressing any recommendations made by their predecessors by way of follow-up action.

Signed on behalf of the Commission for Racial Equality by:

Maxine Ayton  
Chief Executive and Accounting Officer  
5 January 2009

Regeneration

In September, we launched a general formal investigation into physical regeneration, and the effects regeneration projects can have on local communities. Although the investment brought into areas through regeneration projects can bring enormous benefits to local communities, local residents themselves may not be consulted or even considered in the process. Badly planned projects can lead to different racial groups becoming further removed from each other, which could lead to, or exacerbate, segregation. A lack of consultation and transparency during the development of regeneration projects can also increase local tensions, by leading to perceptions that some areas or members of the community are reaping greater benefits than others. The investigation will focus on whether the organisations involved in carrying out physical regeneration projects are considering fully the effects that their schemes may have on different racial groups. It will also be looking for good practice in developing regeneration projects that can benefit whole communities. The investigation is due to be completed and published in 2007.

Housing provision for Gypsies and Irish Travellers

In 2004, we launched an inquiry into how local authorities, by meeting their requirements under the race equality duty, can help to tackle inequality and improve relations between Gypsies and Irish Travellers and others in the local communities where they live. The report of the inquiry, *Common Ground: Equality, good race relations and sites for Gypsies and Irish Travellers*, was published in May. We found that most local authorities had taken no long term steps to deal with tensions. Most were also not meeting their requirements under housing legislation to provide enough sites, even though only 500 acres would be needed to provide accommodation for all Gypsies and Irish Travellers in Britain.

FORMAL AGREEMENTS

Ministry of Defence

We continued to monitor the progress made by the Ministry of Defence (MoD) against employment targets for ethnic minority representation in the armed forces, agreed as part of our second partnership agreement with them. This agreement came to an end in July 2006. We were encouraged by the considerable improvement the MoD and the armed forces had made in promoting racial equality throughout the services since the start of our working relationship, but we felt there was still work to be done. As a result, we agreed to continue our working relationship with the MoD for a further three years, based on a memorandum of understanding. This will continue into the EHRC in 2007.

CASE LAW AND INTERVENTIONS

St Helens Metropolitan Borough Council v Derbyshire and others

The Court of Appeal passed down its decision in this case, concerning a local authority which had written to catering staff who had brought an equal pay claim warning them that, if they were successful, free school meals might have to be abolished and that there could be large-scale redundancies. The staff claimed that the letter amounted to victimisation under the Sex Discrimination Act 1975. The Employment Appeals



Tribunal upheld the claim of victimisation, asserting that any treatment which resulted in reproach and vilification by workplace colleagues amounted to victimisation, and that a direct threat of disciplinary sanctions to an individual was not necessary to show less favourable treatment. The council appealed and the Court of Appeal overturned the EAT's decision, holding that it was reasonable for the employer to send the letter to try to persuade claimants to settle their claims, and that it did not amount to victimisation. The employees appealed to the House of Lords and we were given leave to intervene in the case, along with the EOC and the DRC. The hearing was set for a date in late February 2007.

## Redfearn v Serco Ltd

In May, the Court of Appeal passed down its judgment in this case. In 2004, Mr Redfearn had been working for Serco Ltd as a bus driver for the local authority, driving local people with learning difficulties, many of whom were Asian. He was then featured in a magazine as a BNP candidate in the local elections. The trade unions representing his co-workers encouraged Serco to take action, because many Serco employees found Mr Redfearn's employment a concern in the light of the BNP's apparently racist agenda. When Mr Redfearn was elected, Serco dismissed him on the grounds that he would 'present a risk to the health and safety of its employees and customers', damage the reputation of the company and jeopardise its contract with the local authority. Mr Redfearn had been employed for less than a year, so he could not bring a claim of unfair dismissal. However, he claimed that he had been directly discriminated against on racial grounds, because Serco had treated him less favourably by dismissing him on the grounds, not of his own ethnicity, but of that of the people he transported. He relied on the legal precedent set by the *Showboat Entertainment Centre v Owens* case, which the CRE had supported in 1984, and which had showed that a person could be discriminated against on the grounds of somebody else's race (the case concerned a White manager who had been dismissed because he had refused to follow an instruction to exclude Black clientele from an amusement arcade).

The Court of Appeal ruled in favour of Serco, making it clear that a very wide interpretation of the concept of discrimination 'on racial grounds' would be 'wrong in principle, inconsistent with the purposes of the legislation and unsupported by authority'. We did not intervene in this case, but closely monitored its progress through the courts.

## Elias v Secretary of State

In 2005, we intervened in a judicial review of this case, which concerned the refusal by the MoD to pay Mrs Elias, an 81 year-old British subject, born in Hong Kong, compensation under an *ex gratia* scheme for interned civilians held by the Japanese as prisoners of war during the Second World War. We argued that the MoD had failed to meet the race equality duty by not conducting a race equality impact assessment (REIA) of the scheme. The court held in our favour, and while the MoD decided not to appeal *that* decision, it did appeal the finding in Mrs Elias' favour. In October 2006, the Court of Appeal handed down its judgment in this case, finding in favour of Mrs Elias. For a civilian internee to qualify, he or she had to have been British, and either to have benefited from a payment made from an earlier 1950s scheme based on liquidated Japanese assets, or to have been born in the UK, or to have had a parent or grandparent born in the UK. The court held that this 'birth link' criterion was indirectly

# Accounting Officer's Statement on Internal Control

## 1. Scope of responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the Commission for Racial Equality (CRE), whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting as an NDPB Accounting Officer.

The CRE was formerly financed by Grant-in-Aid from the Home Office. However, following the announcement made during May 2006 the Home Office ceased to be the sponsoring department for the CRE. The actual transfer took place in January 2007 at which point responsibility for the CRE resided with the Department for Communities and Local Government. The Prime Minister announced the establishment of the Government Equalities Office (GEO) on 27 July 2007, which transferred sponsorship of the CRE to the GEO. The GEO was established as a stand-alone government department on 12 October 2007.

## 2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the CRE's policies, aims and objectives, 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 in the CRE for the year ended 31 March 2007 and up to the closure of the CRE on 30 September 2007, and accords with Treasury guidance.

## 3. Capacity to handle risk

The CRE had a risk management strategy, which formed the basis of a risk reduction plan. The strategy was approved by the Audit Committee, which, along with the corporate management team (CMT), reviewed the risk framework and register(s) in the light of current best practice. A significant number of staff were also trained to identify risks to the achievements of the CRE's objectives, and to measure the impact of those risks. The main training element was a two-day course, sponsored by the Institute of Risk Management (IRM), attended by 66 CRE members of staff, largely senior managers. The course culminated in an externally-marked assessment leading to a certificate issued by the IRM. Of those who attended, only one failed to reach the pass mark set by the IRM.

## 4. The risk and control framework

The CRE operated a risk management strategic framework, which set out a methodology for calculating inherent and residual risk. During 2006/7, these were classified into strategic, financial, regulatory/reputational and operational risks. The risks were reviewed by CMT against control measures/mitigating actions and progress assessed since the last review. This process became increasingly more frequent as the closure of the CRE approached. The risk registers were linked into the CRE's business

## Statement on the responsibilities of the Commission for Racial Equality and the Accounting Officer

Under paragraph 17 of the Race Relations Act 1976, the Secretary of State for the Department for Communities and Local Government has directed the CRE to prepare for each financial year a statement of accounts in the form set out in the Accounts Direction. The accounts are prepared on the accruals basis and must give a true and fair view of the state of affairs of the CRE and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Secretary of State for the Department for Communities and Local Government, including the relevant accounting 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; and
- prepare the financial statements on a going concern basis.

The Accounting officer of the Department for Communities and Local Government has appointed Maxine Ayton as Accounting Officer of the CRE. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the CRE's assets, are set out in the Accounting Officers' memorandum, issued by the Treasury and published in *Government Accounting*.

discriminatory on the grounds of national origins. The MoD told the court that it did not wish to appeal against the judgment.

### Carter v Ahsan

In 2005, the Court of Appeal handed down its decision in this case. Mr Ahsan, a potential Labour Party council candidate and a Pakistani Muslim, brought the case against the General Secretary of the Labour Party, Mr Carter (sued on his own behalf and on behalf of all other members of the party), claiming he had been discriminated against on racial grounds after he was passed over for selection in favour of two White men. The decision hinged on whether the case ought to have been brought under section 12 of the Race Relations Act (RRA), which relates to discrimination by qualifying organisations for engagement in a profession, as Mr Ahsan argued, or under section 25, which covers a membership organization refusing membership to someone on racial grounds, as Mr Carter argued. The Court of Appeal ruled that the Employment Tribunal did not have jurisdiction in this case. Mr Ahsan's appeal against that decision will be heard in the House of Lords in 2007, and the CRE is supporting that appeal.

### Discriminatory advertisements

Section 29 of the RRA makes it unlawful to publish an advertisement that indicates, or might reasonably be understood as indicating, an intention to discriminate on racial grounds. The CRE has the sole power to bring proceedings for a declaration on the lawfulness of the advertisement and, where necessary, for an injunction to stop it. In 2006, we dealt with 57 complaints of alleged unlawful advertising. We resolved 24 complaints through signed assurances and the remaining cases are ongoing.

A number of the complaints were about advertisements by employment agencies supplying eastern European workers. These may be reasonably understood to indicate an intention to discriminate against *both* the eastern European workers in terms of their pay and working conditions (if they are described as 'cheap' or refer to 'low wages') *and* against non-eastern European workers who may want to take up the agency's services. It is unacceptable and unnecessary for an employment agency to refer to the ethnic origins of the workers it supplies, and it may also constitute an inducement to employers who use their services to discriminate against other racial groups, contrary to section 31 of the RRA.

We also received over 70 complaints about the advertisement for the Decibel Penguin Prize, a short story competition funded by the Arts Council, which was open to ethnic minority entrants only. Penguin and the Arts Council claimed that the competition was restricted to Black and Asian writers because they were disproportionately under-represented, and because the White-dominated structure of the publishing industry might make it difficult for them to get published. They said the entry criteria for the prize constituted a 'positive action measure', which would be legal under section 35 of the RRA. However, section 35 was only intended to allow measures to be taken to meet the special education, training or welfare needs of members of particular racial groups, not to overcome the effects of past discrimination and disadvantage. We also felt that the evidence presented did not show that Black and Asian writers had a special need or distinguishing qualities that were closely linked to their racial group; that the competition could not be regarded as training, education or welfare; and that the competition was not 'proportionate' to achieving its aim – it would not be able to change the structure of the publishing industry. We therefore felt that the prize did not comply with the RRA. We

understand that the Arts Council was considering revising its entry criteria at the end of 2007.

### Pressure or instructions to discriminate

Sections 30 and 31 of the RRA make it unlawful to instruct, or put pressure on, another person to discriminate on racial grounds. Only the CRE can bring proceedings under these sections of the RRA.

The CRE received nine allegations of pressure or instructions to discriminate during 2006. We resolved all cases without the need for legal proceedings: we received signed assurances in three cases; two were outside the scope of the RRA; in a further three cases, there was insufficient evidence to support the allegations of unlawful pressure and instructions; and one case is still ongoing.

Two of our cases involved police services. Women and people from ethnic minorities had been under-represented in both services, and encouraging them to apply had not worked. In 2006, both police services advertised for new recruits to a fixed number of places and followed a new recruitment policy, which allowed all women and people from ethnic minorities who met the basic criteria at the first stage to be selected automatically for the second stage. Any White men who met the basic criteria were, instead, ranked according to their scores, and only those with the highest scores were selected.

The forces argued that they had the 'legitimate aim' of redressing the under-representation of women and ethnic minorities in their forces, and that the practice was a 'proportionate means' of achieving it, because the number of ethnic minority candidates who were selected over White candidates was so small. One of the police services, Gloucestershire Police Service, was challenged by an unsuccessful, White, male applicant, and the employment tribunal held that the policy was unlawful racial discrimination.

In the other case, we do not know whether an individual complaint was made, but the service decided not to repeat the application process in the same way, following legal advice.

### ENFORCEMENT OF THE DUTY TO PROMOTE RACE EQUALITY

Under the RRA, public authorities have a general duty to promote race equality. Some also have to meet specific duties ([see page 10](#)), intended to help them meet the general duty. These obligations are referred to collectively as 'the race equality duty'. The CRE has developed procedures to monitor and enforce compliance with the duty. In 2006, we dealt with 20 cases relating to breaches of the specific duties, and sent formal warning letters to 17 authorities, including three fire authorities, two local authorities and four Whitehall departments. We served compliance notices on one local authority and on the Electoral Commission, after they failed to provide a satisfactory response to the warning letters. Both then took some steps to address our concerns, and at the end of 2006 we worked with them to ensure their full compliance with the duty.

During 2006, we also resolved 11 cases opened in 2005 involving breaches by schools of the duty to publish a race equality policy.

In 2005, we reported on having written to a number of Whitehall departments about their responsibilities under the race equality duty. We found that 15 departments had

former scheme. The pension figures shown relate to 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 other pension details include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the Civil Service Superannuation Vote has received a transfer payment commensurate with 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.

Please note that the factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary. The CETV figure for 31 March 2006 has been restated using the new factors so that it is calculated on the same basis as the CETV figure for 31 March 2007.

### Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of 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.



## Civil service pensions

Pension benefits are provided to employees of the CRE through the Principal Civil Service Pension Scheme (PCSPS). From 1 October 2002, employees may be in one of three statutorily based 'final salary' defined benefit schemes. These are Classic, Premium, and Classic Plus.

These schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under these schemes are increased annually in line with changes in the Retail Price Index.

From 1 October 2002, new entrants to the PCSPS may choose between membership of the premium scheme or joining a money purchase stakeholder arrangement with a significant employer contribution (partnership pension account).

### Classic scheme

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings. Benefits accrue at the rate of 1/80 of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement.

### Premium scheme

Employee contributions are set at the rate of 3.5 per cent of pensionable earnings. Benefits accrue at the rate of 1/60 of final pensionable salary for each year of service. There is no automatic lump sum but members may give up (commute) some of their pension to provide a lump sum.

### Classic Plus scheme

This is a variation of the premium scheme, but benefits in respect of service before 1 October 2002 are calculated broadly in the same manner as in the Classic scheme.

### Partnership Pension Account

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

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

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (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 a member leaves a scheme and chooses to transfer benefits accrued in their

not published compliant race equality schemes. In 2006, these departments published revised schemes, which we assessed. Four were still not compliant, and at the end of 2006, we were considering taking further compliance action.

One of the requirements of a race equality scheme is to include arrangements for carrying out REIAs, to consider the likely effects a new policy or legislative proposal might have on people from different racial groups. In 2005, we monitored the performance of Whitehall departments in carrying out REIAs on new policies, and requested copies of their REIAs for specific policies. This work continued in 2006. We found that most departments were not complying fully with this part of the duty, and gave them feedback.

We also met the cabinet secretary, Sir Gus O'Donnell, to express our concerns about this non-compliance. We recommended some central guidance and direction within Whitehall, to ensure full and consistent compliance with the race equality duty.

We continued to work with partners who could help us monitor and enforce compliance with the duty. In 2006, we worked with the Fire Brigades Union and the University College Union, to make sure that fire authorities and higher education authorities were meeting their responsibilities.

## Responding to complaints

We responded to a number of complaints, received from various sources, about public authorities not complying with the race equality duty. We made preliminary inquiries of 15 authorities, including police constabularies, local authorities and colleges. Many of the complaints were about authorities failing to take racial equality into account when developing and implementing policy.

## JUDICIAL REVIEW

### Gypsies and Irish Travellers at Dale Farm

In 2005, we reported that we had obtained leave to intervene in a judicial review case involving a decision by a local authority to evict a large group of Irish Travellers from an unauthorised encampment on the Dale Farm site in Basildon in 2005. We argued that the council had failed to pay due regard to its requirements under the race equality duty to promote race equality and good race relations when taking the decision to evict. This case was postponed until 2007, due to outstanding planning appeals.

COMMISSION FOR RACIAL EQUALITY

5. Working with others



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

Racial Equality Councils

The network of Racial Equality Councils (RECs) across Britain plays an important role in promoting racial equality locally, and we rely on their knowledge, support and advice to develop national policy. Along with our teams in Scotland and Wales, the nine new regional hub offices (see page 41), and the projects we fund through the Getting Results programme (see page 45), RECs form an invaluable infrastructure for promoting racial equality across Britain which we hope will remain in place when we join the new Equality and Human Rights Commission (EHRC) in 2007.

In 2006, we gave RECs several opportunities to get involved in the development of the EHRC. In January, we produced a briefing pack for RECs on the EHRC, followed by meetings in February and October to keep the British Federation of Racial Equality Councils (BFOREC) up to date on developments with the new commission. In November, RECs were offered special discounts to attend our conference, Race Convention 2006 (see page 31), where BFOREC held its annual general meeting.

We also organised a series of meetings across Britain to keep local racial equality organisations, including RECs, informed about the publication of the interim report of the Equalities Review (see page 5). Many local organisations attended the meetings, to discuss the findings of the report, particularly its effects on, and implications for, racial equality.

We arranged for representatives of the newly-established Commission for Integration and Cohesion (CIC) to meet RECs and other local and regional organisations set up to promote racial equality. The local perspectives on integration and cohesion gathered from these meetings will form the basis of a CIC report in 2007, making national recommendations on promoting integration and cohesion.

Parliamentary and political engagement

In autumn 2006, CRE staff and commissioners attended the Labour, Liberal Democrat and Conservative Party conferences. We held a reception to celebrate our 30th Anniversary, and contributed to a number of policy fringe meetings on topics such as political engagement, the relationship between equality and diversity, and tackling extremism.

Parliamentarians

In 2005, we launched our ‘Race Equality Champions’ initiative. The ‘champions’ are a Cross-Party group of Parliamentarians who are committed to helping us to make sure that racial equality is part of the political agenda. We worked closely with the champions again on legislative and policy issues in 2006, and with all MPs and peers on legislation going through both Houses of Parliament, including the Immigration, Asylum and Nationality Bill, the Education and Inspections Bill, and the Identity Cards Bill.

Cash Equivalent Transfer Values (CETV): The CRE Chair

Member	Real increase in pension at age 60 (£)	Real Increase in lump sum (£)	Accrued Pension at age 60 at 31 March 2007 (£)	Total lump sum at 31 March 2007 (£)	CETV at 31 March 2006 (£)	CETV at 31 March 2007 (£)	Real increase in CETV after adjustments for inflation (£)	Employer contribution to partnership pension account (£)
Trevor Phillips	0–2.5	0	5–7.5	0	73–74	91–92	14–15	0

The salary and other allowances paid to Trevor Phillips were in respect of the period 1 April 2006 to 30 November 2007. Trevor Phillips left the CRE on 30 November 2006.

Pension benefits for Directors are provided under the PCSPS. Pension benefits accruing to the Directors during the financial year ended 31 March 2007 are as follows:

Cash Equivalent Transfer Values (CETV): The CRE Directors

Director	Real increase in pension at age 60 (£)	Real Increase in lump sum (£)	Accrued Pension at age 60 at 31 March 2007 (£)	Total lump sum at 31 March 2007 (£)	CETV at 31 March 2006 (£)	Real increase in CETV after adjustments for inflation (£)
Maxine Aytton	2.5–5	10–12.5	27.5–30	80–85	346–347	51–52
Alan Christie	0–2.5	0	0–2.5	0	1–2	19–20
Farzana Hakim	0–2.5	0	2.5–5	0	29–30	7–8
Colleen Harris	0–2.5	5–7.5	25–27.5	75–80	419–420	45–46
Alison Jarvis	0–2.5	0	0–2.5	0	8–9	8–9
Nick Johnson	0–2.5	0	2.5–5	0	23–24	6–7
Anthony Robinson	0–2.5	0–2.5	10–12.5	35–40	187–188	8–9
Kevin Ross	0–2.5	0–2.5	19–21.5	55–60	327–328	0–1



Liability	31 March 2007 £'000	31 March 2006 £'000
Active	0	90
Deferred	205	50
Pensioners	493	441
Dependent pensioners	268	237
Present value of scheme liabilities	966	818

The effect of accrual during the year	31 March 2007 £'000	31 March 2006 £'000
Current service cost (net of employee contributions)	17	23
Any past service cost (net of employee contributions)	0	0
Gains and losses on any settlements and curtailments	0	0
The interest cost on pension liabilities	43	45

Actuarial gains and losses during the year	31 March 2007 £'000	31 March 2006 £'000
Experience (gains) and losses	14	(53)
Effects of changes in demographic and financial assumptions	127	0
Total actuarial losses/(gains)	141	(53)

Movement in deficit during the year	31 March 2007 £'000	31 March 2006 £'000
Present value of scheme liabilities at start of year	818	796
Movement in year:		
Overnight increase in liabilities (change in real return)	–	56
Current service cost (net of employee contributions)	17	23
Employee contributions	2	4
Interest cost	43	45
Actuarial losses (gains)	141	(53)
Less benefit paid	(55)	(53)
Less net individual transfers out	0	0
Deficit in the scheme at end of the year	966	818

The actuarial valuation at 31 March 2007 showed an increase in the deficit from £818,000 to £966,000.

Actuarial gains and losses during the year (percentage)	31 March 2006 %	31 March 2005 %
Experience (gains) and losses on scheme liabilities at balance sheet date	1.4%	–6.5%
Effects of changes in demographic and financial assumptions	13.1%	0%
Total actuarial losses/(gains)	14.6%	–6.5%

## Absolutely Equal

We are part of the 'Absolutely Equal' group, which has hosted events at all three party conferences for the last seven years. The events celebrate equality and diversity, and aim to establish cross-party support for the equalities agenda.

As in previous years, the group, sponsored by Barclays, brought together the CRE, the Equal Opportunities Commission (EOC), the Disability Rights Commission (DRC), Equal Rights on Age, and Stonewall.

## Equality and Diversity Forum

The CRE is a member of the Equality and Diversity Forum (EDF), a network of equality organisations in Britain. We took part in a number of EDF seminars on various subjects, such as the treatment of specific groups (including ethnic groups) in the media, and the development of the new EHRC. We also shared information on racial equality and related issues through the EDF newsletter. We will continue to work closely with the members of EDF in the lead-up to the creation of the EHRC, as well as hosting EDF meetings in 2007.

## Disability Rights Commission and Equal Opportunities Commission

As in previous years, we attended the DRC and the EOC commissioners' meetings as observers, as part of a reciprocal arrangement between the three commissions, to share best practice and develop sound policies on equality.

## European institutions

### European Parliament

We worked with members of the European Parliament (MEPs) and politicians from across the political spectrum, particularly with MEPs sitting on the Civil Liberties Committee of the European Parliament, which is committed to advancing the EU's racial equality and integration agenda. Our work with UK politicians in the international arena helped us to maintain consistency between our national and European advocacy work.

### European Fundamental Rights Agency

In December, the European Commission adopted a regulation setting up a new European Fundamental Rights Agency (FRA), which would be broadly similar to the EHRC. The FRA would cover all areas of equality, except sex, which would be covered by a separate institution. The FRA was first proposed in 2003, and since then we have had regular meetings with those responsible for setting up the agency and shaping the way it would work, and offering specialist advice on its racial equality remit. A consultation will take place on its work plan in 2007, which we hope to be involved in.

### European Year of Equal Opportunities for All

The European Parliament designated 2007 the European Year of Equal Opportunities for All. The aim was to raise awareness of the benefits of a just, cohesive society where there is equality of opportunity for everyone. We worked with the EHRC transition team to plan the UK's national strategy and events for the year, some of which will focus on equal opportunities for young people. The EHRC submitted the strategy for the

European Commission's approval in December, and the events are expected to begin in summer 2007, coordinated by the Department for Communities and Local Government.

### Working with EU colleagues

In February, we held a meeting with officials from the European Commission, France, The Netherlands, Austria and pan-European think tanks to discuss race relations in Europe, and how EU institutions and legal tools could work towards greater integration and equality. The meeting gave us the opportunity to share experiences of promoting racial equality and integration across Europe, and also helped us to foster stronger working relationships with European colleagues. We held and attended a number of other meetings in 2006 to continue developing these important relationships.

### National Action Plan on Social Inclusion

Since 2000, each EU member state has been required to produce a National Action Plan on Social Inclusion (NAPSI), to demonstrate how they are tackling poverty and social exclusion. We worked with the Department for Work and Pensions (DWP) on the 2006–2008 NAPSI. It contained specific references to our work on integration, and our vision of an integrated society as combining equality, participation and interaction ([see page 6](#)). We also worked with the DWP on ways to overcome the problem of comparing data on the ethnicity of employees across the EU, which is collected by each member state in different ways.

### Racist crime in the EU

Despite the high incidence of race hate crime in Europe, there is no comprehensive European legislation to protect victims. National laws against racist violence exist in some countries, but there is no single European framework to tackle racist crimes in all EU member states. In December, along with 10 other equality and human rights organisations, we launched a campaign advocating the adoption of the Framework Decision on Combating Racism and Xenophobia, an EU-wide legal framework which would offer the same level of protection to all EU citizens. The Council of Ministers will determine the exact wording of the framework decision in 2007, before then going on to decide whether to adopt it.

### European Inclusion Index 2006 research project

We are an associate partner in the European Inclusion Index 2006, an update of the European Civic Citizenship and Inclusion Index 2004. The project, organised by the Migration Policy Group and British Council in Brussels, is financed by the European Commission's integration fund. The 2004 index looked at the rights given by EU member states to people who live in the EU but are non-EU citizens. The new index will also look at public perceptions of migration and the political participation of migrants, and include data from new member states.

### Council of Europe

We continued to work with the European Commission against Racism and Intolerance (ECRI), the Council of Europe's monitoring organisation for issues relating to racism. For the first time, we submitted a consultation response to one of ECRI's draft 'policy recommendations' (similar to a code of practice), on combating racism in education.

Directors' salaries		2006/7 Salary £'000	2005/6 Salary £'000
Maxine Ayton	Chief Operating Officer and Director of Organisational Development (also appointed Chief Executive Officer on 15 March 2007)	95 – 100	Declined
Alan Christie	Director of Private Sector	70 – 75	0 – 5
Farzana Hakim	Director of Corporate and Government Relations	55 – 60	50 – 55
Colleen Harris	Director of Strategy and Communications	75 – 80	Declined
Nick Johnson	Director of Policy and Public Sector	55 – 60	50 – 55
Alison Jarvis	Director of Countries, Regions and Communities	45 – 50	45 – 50
Anthony Robinson	Director of Legal Services and Enforcement	65 – 70	60 – 65
Kevin Ross	Director of Finance and Support Services (seconded from HM Treasury)	60 – 65	60 – 65

The following amounts were paid to third parties in respect of Directors seconded to the CRE: £83,651.37.

'Salary' includes gross salary; performance pay; London weighting allowance and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the CRE and thus recorded in these accounts.

There are no elements of the Commissioners' or Directors' remuneration which are subject to performance conditions.

There were benefits in kind paid to the Chair for her accommodation in London totalling £10,500.

### Pension benefits

Pension benefits for former Chairs of the CRE are provided under a 'by analogy scheme'. This scheme is an unfunded defined benefit scheme. It relates to current and former Chairs of the CRE. The fund is managed by the Home Office Pay and Pension Section (HOPPS) and any pensions are administered by them in accordance with the standard rules (by analogy with the Principal Civil Service Pension Scheme [PCSPS]).

The most recent actuarial valuations of the scheme took place in June 2007.

Assumptions	31 March 2007 %	31 March 2006 %
The inflation assumptions	2.75	2.50
The rate of increase in salaries	4.30	4.00
The rate of increase for pensions in payment and deferred pensions	2.75	2.50
The rate used to discount scheme liabilities	4.60	5.40

The pay award for senior staff is comprised of two elements: a base pay increase and a non-consolidated bonus. Only two senior members of staff were paid a non-consolidated bonus. Recommendations on pay awards for senior staff are determined within the financial limits imposed by the Treasury. All pay progression for members of the corporate management team (CMT) is subject to satisfactory performance as measured and assessed by the CEO using the CRE's own performance management systems.

### Details of the service contract for senior managers who have served during the year

The closest the CRE has to a service contract is the CEO's contract which is for a fixed term up to 31 October 2007.

Unless otherwise stated the CMT members covered by this report hold appointments which are open-ended. One member is on secondment from HM Treasury up to October 2007.

### REMUNERATION\*

The remuneration paid during the year 2006/7 was as follows:

Commissioners' Salaries	2006/7 to March 07 Salaries £	2005/6 to March 06 Salaries £
Kay Hampton, Chair	44,075	26,290
Trevor Phillips, former Chair	97,786	149,696
Carol Adams	787	0
Khurshid Ahmed	5,866	13,451
Yaseer Ahmed	1,600	0
Mohammed Aziz	6,223	3,200
Colin Budd	3,440	0
Julia Chain	3,600	3,915
Jane Codona	1,600	0
Aled Edwards	2,400	0
Dilwar Hussain	3,360	0
Dexter Hutt	3,200	3,957
Uzo Iwobi	1,600	0
Digby Jones	3,200	3,467
Gloria Mills	3,360	4,270
Cherry Short	2,400	4,813

\* All tables in this remuneration report have been audited

### Equinet

We continued to work closely with Equinet, the network of 28 national equality organisations across the EU, coordinated by the Migration Policy Group in Brussels. Members are independent, specialised equality organisations, with a legal basis and a specific mandate to help victims of discrimination, give independent advice and carry out independent investigations. Equinet's aim is to encourage all EU member states to implement EU anti-discrimination law in a uniform way, and provide comprehensive legal protection for victims of discrimination.

We sat on all four of its main working groups and contributed to a series of reports produced by Equinet, containing recommendations for promoting greater consistency in the way that EU anti-discrimination law is applied and protected, as well as improved policies to promote equality. We also exchanged information on the legal powers of individual equality organisations in various European countries, such as the French *Haute autorité de lutte contre les discriminations et pour l'égalité*.

### Other international work

#### Plural cities event in Leicester

The number of plural cities – cities where no single ethnic group holds the demographic majority – is increasing around the world. These cities stand to gain a lot from their diversity, including increased prosperity and local entrepreneurship, stronger international trade, and more tourism. However, there will also be new challenges to face. How can leaders in these cities avoid communities becoming segregated from each other? How can local government offices truly reflect the diversity of the communities they represent?

In March, we held the first international expert discussion on plural cities. With the Smith Institute, we brought together people working in race and integration in local authorities in Cape Town, Leicester, London, Los Angeles, Malmö, Marseille, New York, Oldham, Rotterdam and São Paulo. The event was held as part of our roadshow in Leicester ([see page 6](#)), which is set to be Britain's first plural city by 2011. Attendees concluded that fostering strong city identities and civic participation in plural cities will be crucial for integration, and that leaders in cities across the globe need to keep communicating with each other to develop solutions to these challenges. A supplement of *New Statesman* magazine, *Living Together*, was published in May as a follow-up to the event. It looked at the issues facing leaders in plural cities, and summarised the discussions.

#### Anti-racism and the World Cup

During the World Cup in June, we monitored matches for incidents of racist violence against non-White football fans. On FIFA's anti-racism days, held to coincide with the quarter-final matches, we worked with the media to raise awareness of the inconsistencies in European legislation on racist crime ([see page 26](#)).

### France

In June, we organised a visit for the French minister for equal opportunities, Azouz Begag, to strengthen our relationship with colleagues in France, and to share examples of good practice. He met the CRE Chair and senior staff, and Equalities Minister Meg Munn, to discuss racial equality issues in Britain, France and elsewhere in Europe.



He visited the Kids Company in Peckham, which helps schools in deprived areas of London and provides support to over 10,000 young people. He also visited the Rainers project in Brixton, which held a mini football tournament for the children it works with, with each child representing a different country.

**Brazil**

As part of the Brazilian state visit to the UK in March, Trevor Phillips, Chair of the CRE at the time, signed an agreement with the Brazilian minister for racial equality, Matilde Ribeiro, setting out an exchange programme between the CRE and its Brazilian counterpart, the Special Secretariat of Policies for the Promotion of Racial Equality. The organisations will work together for 12 months, to exchange knowledge, experience and skills for tackling discrimination, promoting human rights, investing in public awareness, reducing institutional racism and seeking social justice for all members of society. Officials from the Brazilian ministry attended the CRE's Race Convention 2006 in November (see page 31), contributing to a number of key sessions. The exchange was facilitated by the UK's Department for International Development.

**Welcoming international visitors**

We hosted 13 international delegations this year: journalists from Finland, Denmark and Serbia; racial equality officials from Sweden, Japan, Hungary, Kosovo and Norway; and scholars on the Foreign Office-funded Chevening scholarships from Ecuador, Sudan, Cameroon, Burma and Cambodia. We ran workshops and discussions to share lessons learned by the CRE on a wide range of topics, such as the law and the Race Relations Act, the media and public opinion, developing policy, and promoting integration.

**Working with international media**

This year, we concentrated on improving our international profile, and succeeded in securing media coverage across Europe – in France, Germany, Poland, Denmark, Sweden, Spain, Belgium, Austria and Switzerland. We also began working with journalists in other parts of the world, and our work was reported in India, Singapore, Japan, South Africa, the US, Canada and Brazil.

**Research**

In 2006, we commissioned and published a wide range of research to support our work on integration in British society (see page 6). We published two reports revealing widespread hostility towards asylum seekers and other migrants in Britain (ICAR and Jim Coe *et al*), and two reports examining the aspirations and experiences of people from ethnic minorities in the print industry (Working Lives Research Institute and MORI). We also published two reports on the concept of Britishness: the first looked into its potential decline (ETHNOS), and the second into its use by politicians and journalists during general elections (Loughborough University). We part-funded, with the Runnymede Trust, research on anti-social behaviour, which Runnymede published in 2006. In 2006, we continued work on our fact:file series, which provide statistics and analysis on racial equality in different sectors. We published a fact:file on employment and ethnicity, and began work on one on the demography of ethnic minorities in Britain (to be published in 2007).

At Race Convention 2006 (see page 31), we presented the findings of new research into race relations and integration in Britain (Ipsos MORI), and launched summaries of three

**Remuneration Report**

**Service contracts**

There were 16 commissioners who served during the year to 31 March 2007. Commissioners are appointed by the Secretary of State, who also determines their remuneration, for a term of four years.

Dr Kay Hampton (Chair)	1 December 2006 to 31 October 2007
Mr Trevor Phillips (former Chair)	1 March 2003 to 30 November 2006
Ms Carol Adams	1 April 2006 (deceased January 2007)
Mr Khurshid Ahmed	1 April 2002 to 31 March 2009
Mr Yaseer Ahmed	1 October 2006 to 31 October 2007
Mr Mohammed Aziz	1 February 2004 to 31 January 2008
Sir Colin Budd	1 April 2006 to 31 January 2009
Ms Julia Chain	1 February 2004 to 31 January 2008
Ms Jane Codona	1 October 2006 to 31 October 2007
Rev Aled Edwards	1 October 2006 to 31 October 2007
Mr Dilwar Hussain	1 April 2006 to 31 January 2009
Sir Dexter Hutt	1 April 2004 to 31 April 2008
Ms Uzo Iwobi	1 October 2006 to 31 October 2007
Sir Digby Jones	1 July 2003 to 31 January 2008
Ms Gloria Mills CBE	1 April 2002 to 31 March 2009
Ms Cherry Short	1 May 2003 to 30 September 2006

The Chief Executive and Directors were appointed on merit, following a fair and open competition. They held appointments which were open-ended until they reached the normal retiring age of 60, or until the CRE ceased to exist. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in their contracts of employment. The Directors' remuneration is set by reference to the CRE's remuneration policy.

Andrew Housely, previously a Director of the CRE Midlands, received an early termination award of £29,186.34, and was the only senior manager to receive such an award in 2006/7.

**Remuneration policy**

Before pay negotiations can commence, ministerial approval must be sought to agree the pay remit, via the CRE's sponsor bodies. In 2006/7, the Home Office, and subsequently the Department for Communities and Local Government, were the sponsoring units.

The Joint Negotiation Committee comprising of the PCS and Amicus trade unions formally negotiate salaries with the Chief Executive or in his/her absence the Chief Operating Officer, the Corporate Lawyer and the Head of Human Resources.

Following negotiations a ballot of union members takes place to confirm their acceptance of the pay remit.

## EHRC contingent liabilities

37. *Note 19* to these accounts refers to the provisions within the Equality Act 2006 to set up a new Equality and Human Rights Commission (EHRC), which took on the responsibilities of the CRE from 1 October 2007. The CRE in conjunction with the EHRC transition team managed the setting up of the new organisation to ensure a smooth winding down of the CRE's activities. Some of these activities gave rise to contingent liabilities.

A liability arose in connection with an early severance scheme made available to the CRE staff. After the balance sheet date, employees were offered terms under an early severance scheme and payments thereunder, due to be made on or about 30 September 2007.

A further liability will arise in connection with the termination of the leases of the buildings that the CRE occupied.

## Compliance with Public Sector Payment Policy

38. The CRE followed the Better Payment Practice Code. The CRE aimed to pay suppliers in accordance with either the payment terms negotiated with them or with suppliers' standard terms, provided that the relevant invoice was properly presented and was not subject to dispute. During 2006/7 analysis shows that 92 per cent of invoices sampled were paid within 30 days (2005/6: 91 per cent). The CRE was aware of the need to further improve on the number of invoices settled within agreed payment terms and was working towards this.

## Equal opportunities

39. The CRE was committed to achieving equality of opportunity for all employees and potential employees.

## Staff consultation and development

40. The CRE was committed to keeping its staff informed of performance, development and progress. Staff involvement was encouraged in the business planning process, through away days, brainstorming sessions and the annual staff conference. Training programmes were run throughout the year for all staff with the emphasis on core competency training. Specialised training was encouraged and financial assistance offered in higher and further education courses relevant to the CRE's work.

## Disabled employees

41. The CRE gave full and fair consideration to people with disabilities, having regard to the nature of the employment. The CRE sought to encourage any staff who had recently become disabled to continue in their employment.

Signed on behalf of the Commission for Racial Equality by:

**Maxine Ayton**  
Chief Executive and Accounting Officer  
5 January 2009

other projects. The first project was an examination of civic participation, and found almost no ethnic monitoring of representation on Local Strategic Partnerships (Black Training and Enterprise Group); the second was a study of the promotion of interaction between people from different ethnic backgrounds (SHM); and the third examined the reception and integration of new migrants in Britain (Institute for Public Policy Research). Full reports of all four projects will be published in 2007.

We commissioned an evaluation of the role of the voluntary and community sector in promoting racial equality locally and of the CRE's Getting Results programme of grants (Bradford University); and two pieces of research into the relationship between support for far-right groups and extremist behaviour (Young Foundation), and on BNP supporters in Sandwell and in Barking and Dagenham, following the local elections in May 2006 (ICM). We also commissioned four pieces of research looking at different aspects of integration between people from different ethnic groups. Demos will look at the role of 'public spaces' in promoting positive interaction between different ethnic groups; Wolverhampton University at the role of civic participation in integrating different ethnic groups; Northumbria University at the role of political participation; and Ben Cave Associates on social capital indicators in the UK.

We also began a new working partnership with the Economic and Social Research Council in 2006. Through this partnership, we commissioned in November a two-year research study into Britain's youth justice system, headed by Professor Hough, from King's College, London. The research will consider whether ethnic minority young people are treated differently in comparison with young White people, from arrest to sentencing.

## Racial Equality in Football

We made important progress in promoting racial equality across the football industry this year; each of football's governing bodies agreed to, and co-signed, ambitious racial equality action plans. Putting these plans into practice will help to improve the representation of people from ethnic minorities off the pitch as well as on it – in management, coaching and as officials. In September, Trevor Phillips, Chair of the CRE at the time, met representatives from each organisation, and Richard Caborn, minister for sport, to look at progress made since we published our 2004 report, *Racial Equality in Football*, and to set ambitious targets for future performance.

## Football in the Community

As part of our Getting Results funding programme ([see page 45](#)), we awarded £10,000 to Football in the Community. The project breaks down community barriers in Leicester, by bringing together children from different ethnic groups to play together and learn about each other. The project is a partnership between Leicester City Football Club, Leicester Constabulary, Leicestershire and Rutland County Football Association and the city's schools. Local police officers act as coaches, to help the police service improve relations with local communities.

## Sporting Equals

Sporting Equals was established in October 1998 by Sport England, in partnership with the CRE, to promote racial equality in sport. In May 2006, Sporting Equals announced that it would distribute £1 million in grants through the Sport for Communities project.

Using government funding, the grants were aimed at areas where sport can be used to encourage greater integration between people from different ethnic backgrounds, helping to enhance community cohesion and social inclusion. The first stage of the project involved a mapping exercise of the country, identifying places where these grants could make a difference. The five target regions identified were London, the South East, the Midlands, the North West, and Yorkshire and Humberside. The organisations which will be funded by the research will be announced in early 2007.

The Prime Minister announced the establishment of the Government Equalities Office (GEO) on 27 July 2007 which transferred sponsorship of the CRE to the GEO. The GEO was established as a stand-alone government department on 12 October 2007. Changes were made to enable certain powers to be exercised by the Lord Privy Seal that were previously executed by the Secretary of State for Communities and Local Government. The powers in question either relate to equality or can be used in connection with functions relating to equality.

#### Due diligence

32. The CRE agreed with the EHRC areas of priority on due diligence that needed to be considered. Key staff were consulted on this exercise.

#### Business planning closedown

33. Following the announcement of the merger into the EHRC, there was consultation with directors and team members to look at the work and projects contained in the business plan to identify their current position and the key processes that would have to take place before work could be either transferred to the EHRC, elsewhere or concluded. The risks associated with the projects and processes not being transferred and wound down were also identified and presented to EHRC and steps put in place to minimise them. This information formed a comprehensive plan of what needed to be completed before the transfer to the EHRC.

#### Supplier diversity guide

34. The CRE launched a guide encouraging large organisations to make greater use of ethnic minority suppliers. The guide is aimed at organisations in the private, public and voluntary sectors. It covers supplier diversity, the benefits of promoting inclusion within supply chains, and how to implement a supplier diversity programme.

#### A Framework for Fairness: consultation events

35. The CRE held general awareness-raising events proposed for a Single Equality Bill for Great Britain arising from the Discrimination Law Review.

#### Governance changes

36. In June 2007, the Chair transferred the overall corporate responsibility for oversight of internal aspects of the organisation to the Deputy Chairs, including chairing the Finance and Legal committees and interfacing with the management team. This included:
- delivery of the business plan;
  - ensuring a proper closure of the CRE and a smooth handover of legacy work to the EHRC;
  - staff assimilation, training and support; and
  - budget, audit, policy, HR, legal and enforcement issues.

The Deputy Chairs had direct accountability to the Secretary of State for the CRE performance on transferred functions.



30 September 2007 and its role was subsumed into the Equality Human Rights Commission (EHRC), established under the Equality Act (2006).

The balance sheet at 31 March 2007 shows net liabilities of £2,083,110.

The CRE has applied for funding from the Department for Communities and Local Governments to cover the net liabilities and there is no reason to believe that this will not be forthcoming. On this basis it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## Key assets and liabilities

26. During the year 2006/7 the CRE purchased fixed assets in the amount of £236,518. Further information can be found in the [note 1e](#) to the financial statements. The CRE had utilised provisions in the amount of £369,992 against liabilities recognised during the year. A provision of £202,900 was made during the year. Further details can be found at [note 12](#) in the Financial Statements.

## Pensions and pension liabilities

27. The remuneration report on pages 57–63 gives details of the CRE's pension arrangements and related liabilities.
28. As far as the CRE was aware there was no relevant audit information of which the auditors themselves were unaware. The CRE had taken all the steps that it ought to make itself aware of any relevant audit information and to establish that the auditors were also aware of that information.

## Activities during the year

### Joint projects

29. During the year the CRE contributed to the development of the EHRC and to the Discrimination Law and Equality Reviews, as well as other appropriate mechanisms and delivery. This included contributing to the work of the Commission on Integration and Cohesion and the Economic and Social Research Council.

### Building an integrated society

30. The CRE continued to promote its vision of an integrated society and to raise awareness of its views on the causes of segregation and the barriers to the achievement of an integrated society. It led a public debate on the integration agenda, with the CRE acting as a catalyst for change and a creator of new policy in the UK, the EU and internationally. This included working with embassies to arrange mutual business and information exchange.

The CRE also published material on Britishness and identity, and funded local bodies via section 44 Grants for our integration agenda.

## Post balance sheet events

### Sponsorship

31. Following the announcement made during May 2006, the Home Office ceased to be the sponsoring department for the CRE. The actual transfer took place in January 2007 at which point responsibility for the CRE resided with the Department for Communities and Local Government.

## COMMISSION FOR RACIAL EQUALITY

# 6. Celebrating 30 years



In 2006, the CRE turned 30. We celebrated our achievements over the past three decades and looked ahead to the last year of the CRE and the birth of the new Equality and Human Rights Commission, by hosting some of the highest profile events we have held in our history, and by launching major new publications and websites.

## Race Convention 2006

In November, we staged a landmark event in international race relations – the Race Convention 2006. Held at London's Queen Elizabeth II Conference Centre, the two-day event brought together over 1,000 race relations professionals to hear 180 well-known speakers. The event was sponsored by Barclays, and the Telegraph Group and Channel 4 were our media partners.

The convention featured 44 sessions on various aspects of race relations and equality in the 21st Century – not only in the UK but across Europe and globally – including integration, identity, globalisation, migration, diversity, human rights and anti-discrimination law, creating change without violence, the role of business in promoting equality, community relations, inter-faith relations, extremism and free speech. Speakers included senior figures and international experts from all areas of public life: government, politics, business, academia, the arts and the media. There were also eight fringe events, featuring innovative initiatives and research. These included Barnado's BabyFather initiative, and research presented by Ipsos MORI and the Jewish Council for Racial Equality. Twenty two organisations, including the United Nations High Commissioner for Refugees (UNHCR), British Red Cross and ACAS exhibited over two floors of the conference centre. We also launched a number of high-profile pieces of research at the convention ([see page 28](#)).

## Diversity and integration in our website

Our website, [www.cre.gov.uk](http://www.cre.gov.uk), continues to form an important part of our service to customers. The site recorded just over 1.2 million visits in 2006, up by nearly 10 per cent on 2005.

November saw the launch of a new set of web pages on the theme of 'diversity and integration'. This section, intended as a resource for the general public, includes in-depth ethnicity profiles of more than 100 towns and cities in England,

Scotland and Wales. It also features a migration timeline, a cultural events calendar, and a mini-encyclopedia covering many of the ideas and concepts that feature regularly in discussions on race and related issues in Britain today.

## Young Brits at Art

In March, we launched 'Young Brits at Art' with UBS – a new competition inviting young people aged 11–16 to submit drawings or paintings conveying how they feel about living in Britain today. As part of the competition, we held workshops in 30 schools in areas with high numbers of incidents of racist violence. Professional artists helped the students to explore identity through various art forms. We received over 800 entries

from which judges selected 100 to be included in an exhibition at the Royal Albert Hall in October and November. The judges included leading artists Emma Sergeant and Shani Rhys James, and art critic William Packer. At the awards ceremony in October, the first prize was jointly awarded to Tyler Davies of Rainham Mark Grammar School, Kent; Paul Huston of Hinwick Hall College, Wellingborough; and Enam Miah of Grange School, Oldham. Seven other students' entries were highly commended. We are keeping the artworks as a unique record of contemporary Britain, as seen by young people.

### 30 years on a plate website

Britain's culinary tastes have changed dramatically since the CRE was created in 1976. The changing face of our population has had a big role to play in this transformation. In 1976, few people in the UK knew of the existence of 'exotic' fruits or vegetables such as avocados, peppers or sweet potatoes, let alone how to cook them. Now, curry is the nation's favourite dish and Britons of all backgrounds eat at the different restaurants, from Thai to Turkish, which colour our high streets.

In celebration of the ways in which food can bring people together, we enlisted some of Britain's best-known chefs to create recipes that reflect the nation's multi-ethnic culture, for our new website, '30 years on a plate'. These ranged from new versions of traditional dishes, like roast pork with tamarind glaze, and new 'British' classics, such as spaghetti bolognese, Masala crab cakes and Moroccan lamb tagine. The chefs included Ainsley Harriott, Gary Rhodes, Ken Hom, Antonio Carluccio, Hugh Fearnley-Whittingstall, Aldo Zilli, Michael Moore and Antony Worrall Thompson.

We launched the website at an event at Indian restaurant Imli, and chefs Michael Moore and Alfred Prasad cooked their dishes from the project.

### 30: At The Turning Of The Tide

At Race Convention 2006 in November, we launched *30: At The Turning Of The Tide* – a major new anthology bringing together voices from politics, the law, science, entertainment and the arts to share their personal reflections on Britain and Britishness over the last three decades. It stands as a chronicle of the way Britain and its sense of itself have changed, and is a lasting testament to this period of British history. With 30 contributors, one for each of the CRE's 30 years, as well as poems and photographs, the anthology not only looks back, but also considers the future, in the light of such issues as the wars in Afghanistan and Iraq. Contributors are diverse and range from former CRE Chair, Trevor Phillips, to Lord Anthony Lester QC, an original architect of the Race Relations Act, and Nitin Sawhney, film composer and international recording artist. Other contributors included Lord Bill Morris, Oona King, Matthew Fort, David Edgar, Sir Nicholas Serota, Lord Adair Turner and Bonnie Greer.

### Thirty Years Working for Racial Equality: A timeline of the CRE

As part of our celebrations, we also published *Thirty Years Working for Racial Equality: A timeline of the CRE*. The publication highlights the major events in racial equality over the last three decades, both within the CRE and in the wider world. The publication was launched and distributed at Race Convention 2006 in November.

and revised if considered necessary. Management accounts comparing actual against budget were prepared monthly for senior management. The Finance and Transition Committee, which met every two months, considered the financial results for the period and the Commission

### Members were kept up to date at their meetings.

16. Commission Members met at least six times a year and decided upon the CRE's policy, management, operational structure and performance.

### Results for the year

17. The accounts for the year ending 31 March 2006 are set out on pages 70–86. The Notes on pages 74–86 form part of the accounts.

In accordance with schedule 1 paragraph 17 of the Act, the CRE's statement of accounts covers the year ending on 31 March 2007. The CRE's statement of accounts is prepared on an accruals basis in accordance with the Accounts Direction issued to the CRE by the Secretary of State for the Department of Communities and Local Government (formerly issued by the Home Office).

18. The CRE received £19,100,000 in Grant-in-Aid in the year ending 31 March 2007 (£19,100,000 in 2005/6) consisting of £18,863,482 for revenue expenditure and £236,518 for capital expenditure.
19. Net operating expenditure during the year ending 31 March 2007 amounted to £20,579,920.
20. As mentioned in the Statement on Internal Control, the CRE had taken steps to strengthen its financial management, and was exercising control over spending commitments through closer monitoring of directorates' monthly spending and performance against monthly forecasts.
21. At 31 March 2007 the cumulative deficit was £2,083,110 on the general reserve.
22. During the year the CRE transferred £566,082 to the general reserve from the government grant reserve, in line with new accounting policies.

### Charitable donations

23. No charitable donations were made in the year ending 31 March 2007.

### Environmental policy

24. The CRE was committed to reducing its impact on the environment by improving the environmental performance of its operations and its properties and endeavoured to ensure that such improvement is continuous. The CRE also aimed to educate, train and motivate staff to work in an environmentally responsible manner and to play a full part in developing new ideas and initiatives.

The CRE continued to improve its environmental performance and raise staff awareness of environmental issues prior to its closure in September 2007.

### Going concern

25. The closure of the CRE, originally planned for 2009, was brought forward in line with an announcement made in October 2006. The CRE ceased to exist on

Ms Uzo Iwobi	1 October 2006 to 31 October 2007
Sir Digby Jones	1 July 2003 to 31 January 2008
Ms Gloria Mills CBE	1 April 2002 to 31 March 2009
Ms Cherry Short	1 May 2003 to 30 September 2006

## Register of Members' Interests

- The CRE maintained a Register of Members' Interests, which was available for inspection at the CRE by arrangement.

## Corporate governance

- This Statement of Accounts includes a Statement on Internal Control on pages 102–103. The CRE took corporate governance and the principles set out in the Turnbull Report seriously and was always seeking to achieve compliance.

The CRE had a risk management strategy which was designed to enable senior management to identify the risks to the achievement of its business objectives, to assess the impact of those risks, to design mitigating solutions and to delegate ownership of the processes. More detail is given in the Statement on Internal Control on pages 64–67.

- Operating and financial systems continued to be developed throughout the year to respond to the CRE's needs. The CRE's systems of internal control were designed to safeguard the CRE's assets, to maintain proper accounting records and to ensure that the financial statements agreed with the underlying records. While no system of internal control can provide absolute assurance against material mis-statement or loss, the CRE's systems were designed to provide it with reasonable assurance that suitable procedures were in place and operating satisfactorily. The Statement on Internal Control (pages 64–67) includes an assessment of the effectiveness of internal control as at 31 March 2007 and also the steps that were taken subsequently to continue this process up to 30 September 2007.
- During 2006/7 the Home Office Audit and Assurance Unit provided the internal audit services to confirm that governance measures were in place throughout the CRE. The Internal Auditors' remuneration for 2006/7 was £68,697 (£50,805 – 2005/6). The Internal Auditors also conducted additional work for the CRE during the year 2006/7.

The external audit is carried out by the National Audit Office who are required to examine, certify and report on the annual financial statements, in readiness for laying before the Houses of Parliament. The External Auditors' remuneration for 2006/7 is £52,000 (£52,000 for 2005/6). The statutory account has recognised an increase of £5,000 relating to 2005/6 in the year ended 2006/7.

The National Audit Office did not perform any non-audit work for the CRE in the year 2006/7.

- In keeping with the Code of Best Practice for Board Members of Public Bodies, the CRE operated an Audit Committee. The Committee met four times during the year. A list of committees of the Commission is given in Appendix 2.
- The CRE had an annual business plan and budget, which defined the work targets and expenditure limits for the year. The budget was reviewed throughout the year

# APPENDICES



APPENDIX 1

Members of the Commission for Racial Equality

1 January 2006 – 31 December 2006



Kay Hampton

CRE Chair (December 2006–), CRE Deputy Chair (April 2003–December 2006), CRE commissioner for Scotland (April 2002–). Kay is currently a professor in communities and race relations at Glasgow Caledonian University. As a former research fellow and director of the Scottish Ethnic Minorities Research Unit between 1995 and 2000, she researched and published widely on the subject of racism, ethnicity and discrimination. Kay has also been employed by University of Durban-Westville, South Africa (1978–1989) and Durban City Council, Strategic Planning Department (1990–1993). She has been closely associated with the voluntary sector in Scotland since 1994, and was a trustee of the Scottish Refugee Council.

Trevor Phillips

CRE Chair (March 2003–November 2006). After leaving university, Trevor began a career in television, initially as a researcher with London Weekend Television (LWT), before becoming head of current affairs, and a well-known face for both LWT and the BBC. He has campaigned on equality issues throughout his adult life, and successfully initiated the Windrush season, which raised the profile of black history. He has combined his media career with voluntary work, has been Chair of the Runnymede Trust, and is currently a trustee of several leading charities working to serve ethnic minority communities. He was Chair of the London Assembly from May 2000 to February 2003, and was appointed Chair of the Equality and Human Rights Commission in September 2006.

Carol Adams

CRE commissioner (April 2006–). Carol has been the chief executive of the General Teaching Council for England (GTC) since its establishment in 2000.

As the professional body for teaching, the GTC supports teachers in promoting racial equality in schools by building teacher networks and supporting and disseminating effective practice. Before this, she was director of education in Wolverhampton and then in Shropshire. Carol taught in inner London secondary schools for a number of years, and held senior posts with responsibility for equal opportunities in London and in Haringey. She has published materials for the classroom in collaboration with colleagues and has served on national education advisory bodies.

Carol sadly passed away in January 2007. During her time as a commissioner, she made a valuable contribution to the CRE’s work on integration, and she will be much missed.

- b. conducted formal investigations for any purposes connected with carrying out its statutory duties and made recommendations as a result of those investigations;
  - c. gave advice and assistance to individuals;
  - d. undertook, commissioned or supported (financially or otherwise) research and educational activities; and
  - e. issued statutory codes of practice containing such practical guidance as the CRE thought fit for the elimination of discrimination and the promotion of equality of opportunity between different racial groups.
6. The CRE existed to work for a just society that gives everyone an equal chance to work, learn and live free from discrimination and prejudice and fear from racial harassment and violence. In pursuit of this the CRE adopted two key strategic aims:
- a. to work towards the best possible legacy for racial equality, for the CRE’s staff and stakeholders as it moved towards the Equality and Human Rights Commission; and
  - b. to develop, promote and deliver against a framework for an integrated society using its three tenets of equality, participation and interaction as its guiding principles.
7. Full details of the CRE’s activities during 2006 are given in the main part of this annual report, which highlights the many achievements of the CRE and shows progress against each of the targets set for each of the two corporate objectives.
8. The CRE had a responsibility for keeping the working of the Race Relations Act under review and presented three major reviews of legislation to government. The first was in 1985, the second in 1992 and the third in 1998. The third review, reinforced by the recommendations of the Stephen Lawrence Inquiry, resulted in the passing of the Race Relation (Amendment) Act 2000 (RRAA). The CRE produced the code of practice to enable public sector organisations to implement the amended RRA and the new public sector duties. More information on the RRAA is contained in the 2001 Annual Report.

Commission Members

9. Commission Members are appointed under the RRA for a period of four years. During the year ended 31 March 2007 the Commission Members were as shown below (end dates are as for original appointments):

Dr Kay Hampton (Chair)	1 December 2006 to 31 October 2007
Mr Trevor Phillips (former Chair)	1 March 2003 to 30 November 2006
Ms Carol Adams	1 April 2006 (deceased January 2007)
Mr Khurshid Ahmed	1 April 2002 to 31 March 2009
Mr Yaseer Ahmed	1 October 2006 to 31 October 2007
Mr Mohammed Aziz	1 February 2004 to 31 January 2008
Sir Colin Budd	1 April 2006 to 31 January 2009
Ms Julia Chain	1 February 2004 to 31 January 2008
Ms Jane Codona	1 October 2006 to 31 October 2007
Rev Aled Edwards	1 October 2006 to 31 October 2007
Mr Dilwar Hussain	1 April 2006 to 31 January 2009
Sir Dexter Hutt	1 April 2004 to 31 April 2008

## APPENDIX 5

### Financial Accounts (1 April 2006 – 31 March 2007)



### Management commentary

#### Introduction

1. The statement of accounts on pages 70–96 reports the results of the Commission for Racial Equality (CRE) for the year from 1 April 2006 to 31 March 2007. It has been prepared on an accrual basis and in accordance with the Accounts Direction given by the Secretary of State under paragraph 17 of the Race Relations Act 1976 (the RRA) as amended.

#### History

2. The CRE was a non-departmental public body established by statute. It was formerly financed by Grant-in-Aid from the Home Office and for a short period it was funded by the Department for Communities and Local Government and finally the Government Equalities Office. In accordance with FRS8 the Home Office, the Department for Communities and Local Government and the Government Equalities Office are related parties to the CRE. The Secretary of State for the Government Equalities Office was answerable to Parliament for the CRE and responsible for making financial provision for its needs.
3. The RRA provided that the Members of the Commission be appointed by the Secretary of State, for the relevant department, currently the Government Equalities Office. The Secretary of State also appointed a Chair with the endorsement of the Prime Minister. The CRE's final Chair, Kay Hampton, was appointed on 1 December 2006 for a period up until 31 October 2007. The Chief Executive and Accounting Officer, Maxine Ayton, was appointed on 15 March 2007. During 2006/7 the CRE operated from offices in London, Manchester, Birmingham, Cardiff and Edinburgh and a number of hub offices employing a small number of staff in each at Nottingham, Newcastle, Leeds, Guildford, Bristol and Cambridge.

#### Principal activities

4. The functions conferred on the CRE by section 43 (1) of the RRA were:
  - a. to work towards the elimination of racial discrimination;
  - b. to promote equality of opportunity and good relations between persons of different racial groups generally; and
  - c. to keep under review the workings of the RRA and, when it was so required by the Secretary of State or otherwise thought necessary, to draw up and submit to the Secretary of State proposals for amending the RRA.
5. In pursuit of these functions the CRE:
  - a. gave financial or other assistance through grants and promotional work to any organisation appearing to the CRE to be concerned with the promotion of equality of opportunity and good relations between persons of different racial groups;

#### Khurshid Ahmed

CRE commissioner (April 2002–). Khurshid is Chair of the British Muslim Forum and the Dudley Muslim Association. He also chairs the Local Strategic Partnership in Dudley and is a director of the Black Country Association. He has previously held the positions of Chair of the National Association of British Pakistanis, general secretary of the Pakistani Students Federation and member of the executive of the Standing Conference of Pakistani Organisations. He was previously a non-executive director of the Dudley Group of Hospitals NHS Trust, and before that was assistant chief executive at Birmingham City Council. He is a member of the Attorney General's Advisory Group and the Preventing Extremism Together Task Force, which was set up following the July 2005 bombings in London. He also served on the official enquiry into the Danall disturbances in Sheffield in 1995/6. Khurshid joined the Labour Party in 1968, and has chaired the Dudley North constituency Labour Party.

#### Yaseer Ahmed

CRE commissioner (1 October 2006–). Yaseer is managing director of Pearl Commercial Investments Ltd, and is currently working as the director at the Bolton Council of Mosques. He is a strategic independent advisor on the Race Independent Advisory Group to the Greater Manchester Police Authority, and a non-executive director at the Bolton Hospitals NHS Trust. He is also Vice-Chair at the Bolton Council for Voluntary Services, and chairs a number of organisations ranging from entrepreneurial networks to bodies providing opportunities for young people from ethnic minorities to engage in mainstream sport.

#### Mohammed Aziz

CRE commissioner (February 2004–). Mohammed is the founding chief executive officer of the Forum Against Islamophobia and Racism, and the British Muslim Research Centre. He has also been a commissioner for the Equal Opportunities Commission since April 2005. He completed his LLB (Hons) and LLM at University College London and was called to the Bar in 1996. He is currently a director of FaithWise Ltd, and an advisor to the Muslim Council of Britain. He is also a member of the government's steering group on the Equality and Human Rights Commission, a board member of the European Network against Racism, a council member of Liberty, and a trustee of the East London Mosque and London Muslim Centre. Mohammed also sits on two honours committees.

#### Ian Barr

CRE commissioner (April 2002–March 2006). Ian graduated from Salford University with an honours degree in industrial administration. Since 1999, he has been managing director of Astar Management Consultants Limited, a diversity consultancy. He was group human resources director at Scholl plc (1995–8), the main board director responsible for human resources at NFC plc (1989–95), and before then personnel director at Chloride Group plc. Ian also held senior personnel management appointments at British Leyland. He is a member of the CBI's Equality and Diversity Forum, and has served on its Employment Policy Committee and East of England Council. Ian was a founder member of the leadership group for the 'Race for Opportunity' campaign. He is also a trustee and treasurer of the Windsor Fellowship educational charity and a member of the advisory board of Leeds Business School. He served as the CRE's acting Deputy Chair from August 2002 until February 2003.



Sir Colin Budd

CRE commissioner (April 2006–). Colin is a retired member of HM Diplomatic Service, in which he served for 38 years, including two spells as private secretary to a cabinet minister and another two in the Cabinet Office. He was HM Ambassador to The Netherlands between 2001 and 2005, and Deputy Under Secretary of State, Foreign and Commonwealth Office between 1997 and 2001.

Julia Chain

CRE commissioner (February 2004–). Julia is the managing director of the Kite Consultancy Ltd. She qualified as a solicitor and specialised in corporate affairs, before becoming a managing partner of Garretts, the first interdisciplinary law firm set up by the accounting firm Andersens. In 1998, Julia joined the board of T-Mobile as general counsel, where she remained until 2004. Julia is a trustee of the Jewish Association for Business Ethics, and a member of the Academic Counsel of BPP Professional Education plc, the UK’s leading training organisation for lawyers. She is also a member of the Board of Management of Golders Green Synagogue in north London.

Jane Codona

CRE commissioner (1 October 2006–). Jane is the manager of Norfolk Travellers Initiative Project, which provides advocacy services to Gypsies and Irish Travellers. She is a member of the National Travellers’ Action Group, One Voice, and the Metropolitan Police’s Gypsy and Traveller Advisory Group. She has also been a member and substitute delegate representing women on the European Roma and Travellers Forum and the International Roma Women’s Network, where she campaigned to help raise the profile of Gypsy women in politics. Jane also mentors young Gypsies and Irish Travellers.

Reverend Aled Edwards

CRE commissioner and CRE commissioner for Wales (1 October 2006–). Aled is chief executive officer of CYTŪN (Churches Together in Wales), and was the organisation’s National Assembly liaison officer between 1999 and 2006. He read history and theology at Saint David’s University College Lampeter. Following his ordination in 1979, he served a number of Anglican parishes in north and south Wales. He chaired the Welsh Refugee Council’s Board of Trustees in 2005/6, and helped set up the pioneering WARD refugee doctor training scheme in 2003 as Chair of Displaced People in Action. He was awarded an OBE in June 2006 for his services to charities in Wales.

Dilwar Hussain

CRE commissioner (April 2006–). Dilwar is head of the Policy Research Unit and senior research fellow at the Islamic Foundation, Leicester. He currently teaches a postgraduate course on Islam in Europe. He has worked in academic research and policy consultancy for the last ten years, and is an advisory editor to the Oxford Encyclopedia of the Islamic World. He has served on the Archbishop of Canterbury’s Commission on Urban Life and Faith (2004–2006), and sat on the Preventing Extremism Together workgroups set up by the Home Office after the events of 7 July 2005. From 2005/6, he was Co-Chair of Alif-Aleph UK, a network which brings together British Jews and Muslims. He is also a fellow of the Royal Foundation of St Katharine’s Contextual

Appendix Table 3

Recipient from CRE	£
Central African Development Action	7,500
Centre for Human Ecology	8,500
CLEAR (City Life Education and Action for Refugees)	5,000
Confederation of Indian Organisations	5,000
Co-operative Community Action Ltd	7,500
Diversity Hub	9,000
Dorset Community Action	6,500
Gateway Gardens Trust	10,000
Halifax FC Community Football Initiative	8,500
Ilkeston Studio Players	7,600
Khalsa Youth Football Academy	10,000
Leeds Racial Harassment Project	7,500
Mirfield Community Trust	7,500
Muslim Jewish Forum of Greater Manchester	7,500
NCBI	10,000
Partners of Prisoners and Family Support Group	7,500
Pegasus Opera Company	8,500
Rendezvous of Victory	5,000
Roses Theatre and Fairgame Theatre	7,500
South Humber REC	8,500
Students and Refugees Together (START)	5,000
The Environment Centre	6,000
The Hanlon Centre	5,000
Urban Development Foundation	7,500
Vine Trust Walsall	7,500
Volunteer Reading Help	5,000
Total	252,600

Appendix Table 4: Research projects funded through the Getting Results programme, smaller grants

Recipient from CRE	£
Council for Voluntary Services Arunwide	15,000
East Midlands Racial Equality Consortium	10,000
Institute for Policy Studies in Education	10,000
Leicester City Football in the Community Programme	10,000
London Play	10,000
Working Lives Research Institute, London Metropolitan University	10,000
Total	65,000



Appendix Table 2

Recipient from CRE	£
South East Wales REC	25,000
Southwark Action for Voluntary Organisations	18,000
Southwark REC	33,500
Specialist Mediation in Lancashire East Ltd	30,000
Sutton Racial Equality	25,000
Swansea Bay REC	48,600
Swindon REC	30,000
Taleem Trust	33,500
Tameside REC (op. as Equality and Diversity Centre of Ex.)	95,000
Telford and Wrekin Race, Equality and Diversity Partnership	30,000
The 1990 Trust	40,000
The Haven Wolverhampton	25,000
The Royal Association for Deaf People	30,000
Timebank	20,000
UNITE Ltd	20,000
Valley REC	40,000
Wales Council for the Elderly	25,000
Waltham Forest REC	22,500
Warwickshire Race Equality Partnership	50,000
West Midlands Discrimination Advisory Service	65,000
West of Scotland REC	21,000
Weston Spirit	26,500
Wiltshire REC	20,000
Worcestershire Racial Equality Centre	20,000
Wrexham Citizens Advice Bureau	30,000
Wycombe REC	25,000
York REN	20,000
Young Gloucestershire	15,000
<b>Total</b>	<b>4,115,750</b>

Appendix Table 3: Organisations funded through the Getting Results programme, smaller grants

Recipient from CRE	£
A Sporting Chance	7,500
African Caribbean Citizens Forum	7,500
Age Concern London	6,000
Al-Hasaniya Moroccan Women's Project	5,000
Asylum Link Merseyside	7,500
Audiences Central	8,000
BD3 4ALL Extended Schools Project	5,000
Bolton Lads and Girls Club	7,500
Bradford Youth Development Partnership	8,000

Theology Centre, London, and a fellow of the Citizen Organising Foundation. He has written widely on Islam in Britain.

### Sir Dexter Hutt

CRE commissioner (April 2004–). Sir Dexter was educated in Guyana and England, and graduated with a degree in social sciences from Birmingham University. He then taught in Handsworth and Coventry before becoming headteacher of Ninestiles School in Birmingham in 1988. Dexter received a knighthood for services to education in 2003. He is now executive headteacher of the Ninestiles Federation of Schools, and is involved in school improvement nationally and internationally. He is the chief executive of Ninestiles Plus, which provides training and consultancy in the field of school improvement.

### Uzo Iwobi

CRE commissioner (1 October 2006–). Uzo holds a law degree from the University of Nigeria, where she qualified as a solicitor and a barrister and was called to the Nigerian Bar. After moving to Wales, she became a lecturer in law at the Swansea Law School, and obtained a postgraduate certificate in education with distinction from the University of Wales. In 2004, she joined South Wales Police as a race and diversity trainer, and in 2005 was appointed to the Police National Diversity Team. Uzo now works as a principal equality and diversity officer for South Wales Police, as well as giving diversity training to public and private sector organisations. She was given the Swansea Bay Woman of the Year (Community Achievement) Award in 2006. She sits on the boards of several voluntary organisations and chairs the African Community Centre in Swansea, which she set up in 2004.

### Kamaljeet Jandu

CRE commissioner (June 2000–March 2006). Kamaljeet is a trained economist and the national diversity manager for Ford Motor Company Ltd, where he was responsible for organisational culture change and setting up a network of diversity councils. He was formerly policy development officer with the Trades Union Congress (TUC), where he was responsible for racial equality and employment policy, organised trade union support for the Stephen Lawrence Family Campaign, and set up a task group on institutional racism. Kamaljeet has written numerous publications on diversity and race. He was the European TUC representative on the European Commission Economic and Social Affairs Committee working on the Equal Treatment Directive, and was on the advisory panel to the Fourth National Survey on Ethnic Minorities. He was a member of the committee responsible for the Race Relations (Amendment) Act 2000, and a nominated commissioner on the CRE's recent formal investigation into the prison service. He chairs the London Board of the CRE.

### Sir Digby Jones

CRE commissioner (July 2003–). Sir Digby has been the director-general of the Confederation of British Industries (CBI) since January 2000. After some time in the Royal Navy, he started his career in law and specialised in corporate finance, becoming senior partner at Edge & Ellison in 1995 before moving to KPMG as Vice-Chairman of corporate finance in 1998. Some of his many roles outside the

CBI include non-executive directorships of Alba plc and Leicester Tigers Rugby Club, and membership of the National Learning and Skills Council. He is also involved in a wide range of charitable activities and is Vice-President of UNICEF.

### Gloria Mills

CRE commissioner (April 2002–). Gloria was President of the Trades Union Congress from 2005/6, and is currently its Vice-President, chairing the TUC General Council and Executive. She was the first black woman ever to be elected to these positions. She sits on the TUC's Women's Committee, and chairs its Race Relations Committee. She also sits on the European Trade Union Confederation and the Employment Appeals Tribunal. Gloria's early career was in law publishing. She held various positions in the print unions NATSOPA and SOGAT. She was also a regional officer and senior national officer for the National Union of Public Employees. She pioneered equal rights campaigns and played a key role in developing and implementing the Stephen Lawrence Action Plan, the Race Relations (Amendment) Act and EC Article 13 directives. In 1993, she was appointed director of equal opportunities at UNISON. She is currently a member of UNISON's Senior Management Group. Gloria has written articles and publications on equality, and is a specialist practitioner in race, employment and equal pay. She was awarded the MBE in 1999 for services to the trade union movement, and the CBE in 2005 for her contribution to equal opportunities.

### Cherry Short

CRE commissioner for Wales (April 1998–March 2003; May 2003–September 2006). Cherry is a councillor on Cardiff County Council, and a national member of the Home Office's Race, Education and Employment Forum. She is also a member of the government task force responsible for implementing 'Welfare to Work' and 'New Deal' programmes in Wales. She chairs the Cardiff Council Gypsy Sites Committee and is a member of the Cardiff County Equal Opportunities Committee. She is also a management committee member of Children in Wales, race advisor to Cardiff University's Social Work Diploma Programme, and a former Chair of Cardiff and the Vale Racial Equality Council. She is co-author of *Working with Difference* (CCETSW, 1997), and was senior fellow at the Institute of Government and Public Affairs at the University of Illinois (1999–2001).

### Professor Jagdish Singh Gundara

CRE commissioner (April 2002–March 2006). Jagdish is professor of education at the University of London, and holds the UNESCO Chair in intercultural studies and teacher education at the Institute of Education. He has been deputy secretary-general of the Indian Ocean International Historical Association, director and Vice-Chairperson of the International Broadcasting Trust, and was a founding member of the International Association for Micro-States Studies and the European Intercultural Parliamentary Group. He is a founder and President of the International Association for Intercultural Education, and a trustee and Chair of the Scarman Trust. He received the Bhai Vir Singh International Award from the Dalai Lama for his work in education in socially diverse societies. He also received an award from the Indian Council of World Affairs for his contribution to intercultural and international understanding. Jagdish is a fellow of the Royal Society of Arts, and has written a number of publications and articles on social, cultural and educational issues.

Appendix Table 2

Recipient from CRE	£
London Gypsy and Traveller Unit	25,000
Luton Equality Agency	30,000
Manchester CCR	30,000
Medway REC	26,500
Merton Racial Equality Partnership	27,500
Mewn Cymru	27,500
Milton Keynes REC	50,000
MOSAIC Black and Mixed Parentage Family Group	28,500
Nacro – the crime reduction charity	35,000
NCBI (Lancashire)	25,000
Newcastle Law Centre	28,000
Newham Monitoring Project	30,000
North Kensington Law Centre	54,000
North Staffordshire REC	50,000
North Wales REN	25,000
North West Kent REC	25,000
Northamptonshire REC	60,000
Norwich and Norfolk REC	70,000
Nottingham and Nottinghamshire REC	68,000
Oldham Race Equality Partnership	50,000
Outward Bound Trust	28,500
Oxfordshire REC	30,000
PeaceMaker	20,000
Peterborough REC	50,000
Plymouth and District REC	33,500
Poplar Housing and Regeneration Community Association.	20,000
Preston and Western Lancashire REC	67,000
Race Equality Action for Lewisham	38,000
Race Equality First	28,500
Race Equality in Newham	20,000
Race Equality Partnership Wolverhampton	30,000
Race Equality Sandwell	32,500
Race Equality West Midlands	69,000
Reading REC	42,000
Redbridge REC	55,000
Rochdale Centre of Diversity (formerly Rochdale REC)	30,000
Scottish Sports Futures	22,500
Scottish Refugee Council	25,000
Sheffield REC	70,000
Slough REC	40,000
SoftTouch Community Arts	20,000
Sompriti	26,500

Appendix Table 2

Recipient from CRE	£
Bromley REC	32,500
Bury Metro REC	15,000
CEMVO	25,000
Central Scotland REC	58,500
Charwood REC	30,000
Cheshire, Halton and Warrington REC	63,000
Citizens Advice Bureau Dundee	20,000
Citizens Advice Rights Fife	10,000
Coventry Law Centre Ltd	35,000
Cultural Media Enterprise Ltd	15,000
Derby REC	44,000
Devon REC	18,500
Dorset REC	26,250
Dudley REC	45,000
Ealing REC	40,000
East Lancs Partnership for East Lancs Together	20,000
East Staffordshire REC	47,000
Edinburgh and Lothians REC	32,500
Enfield REC	20,000
Essex REC	45,000
Ethnic Minorities Law Centre	45,000
Friends, Families and Travellers	37,000
Gloucestershire REC	33,500
Grampian REC	21,500
Greenwich Council for Racial Equality	25,000
Hammersmith and Fulham BME	37,500
Hammersmith and Fulham Refugee Forum	30,000
Haringey REC	27,500
Harrow REC	25,000
Hillingdon REC	23,000
Hounslow REC	43,500
Hull Asylum Seekers Support Group	28,000
Institute of Small Business Management	19,000
KBVT Ltd	20,000
Kings Cross Community Development Trust	24,500
Kingston REC	25,000
Kirklees REC	27,500
L8 Sports Forum	27,500
Lambeth Law Centre	99,400
Leeds REC	28,000
Liverpool 8 Law Centre	28,000
Lochaber Routes	20,000

## APPENDIX 2



### Committees of the Commission for Racial Equality

(at 31 December 2006)

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

#### Audit

David Somers (Chair)	Julia Chain
Mohammed Aziz	Aled Edwards

#### Communities and Partnerships

Kay Hampton (Chair)	Dexter Hutt
Carol Adams	Jane Codona
Colin Budd	Uzo Iwobi
Khurshid Ahmed	

#### Finance and Transition

Kay Hampton (Chair)	Mohammed Aziz
Julia Chain	Aled Edwards
Colin Budd	Gloria Mills

#### Legal Affairs

Julia Chain (Chair)	Gloria Mills
Colin Budd	Dilwar Hussain
Uzo Iwobi	Khurshid Ahmed

#### Private Sector

Gloria Mills (Chair)	Digby Jones
Yaseer Ahmed	Mohammed Aziz
Jane Codona	Uzo Iwobi

#### Policy and Public Sector

Mohammed Aziz (Chair)	Jane Codona
Carol Adams	Dexter Hutt
Yaseer Ahmed	Dilwar Hussain
Khurshid Ahmed	

#### Remuneration

Kay Hampton (Chair)
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**Scotland Advisory Board**

Kay Hampton (Chair)	Ephraim Borowski
Alice Brown	Sally Daghlia
Graham Donaldson	John Downie
Archie Graham	Anil Gupta
Jatin Haria	Tim Hopkins
Ravinder Kaur Nijjar	Ingrid McClements
Nicola Munro	Kalim Uddin

**Wales Advisory Board**

Aled Edwards (Chair)	Graham Benfield
Rose M D'Sa	Catherine Eva
Kevin Fitzpatrick	Elizabeth Haywood
Glen Jordan	David Seligman
Elan Closs Stephens	Fran Targett
Charlotte Williams	Felicity Williams
Neil Wooding	

**London And South Advisory Board**

Gloria Mills (Chair)	Kamaljeet Jandu (Vice-Chair)
John Azah	Richard Barnes
Arun Batra	Frances Day-Stirk
Rokhsana Fiaz	David Gillborn
Laurie Heselden	Alfred Hitchcock
Lee Jasper	Leroy Logan
Joanne McCartney	Nims Obunge
Hyacinth Parsons	Anjana Patel
Tony Sarin	Mike Tuffery
Abdul Ullah	Audrey Young

**APPENDIX 4****Section 44 Funding** (1 April 2006 – 31 March 2007)

The Getting Results funding programme is an important part of the CRE's work to promote racial equality and good race relations across Britain. The allocation of funding under the Getting Results programme is based on an organisation's application meeting our 'outcome-based' funding criteria. To receive funding, organisations must focus on achieving 'real and measurable changes', and demonstrate in their funding applications how they intend to achieve this work.

The funding priorities for 2006 were as follows:

- integration;
- inter-community conflict prevention and resolution; and
- Race Relations Act 1976 casework.

We granted 124 awards, totalling over £4 million, to various organisations in England, Wales and Scotland for work focusing on these priorities (*see Appendix Table 2*).

In 2006, we made extra funding available for smaller grants to 41 organisations (*see Appendix Table 3*) and research projects (*see Appendix Table 4*). Through this scheme, we allocated funds totalling £315,000, mainly for integration work.

We monitored the extent and effectiveness of racial equality services provided across the country (including those not funded by ourselves), to help us to address any potential gaps in provision. In 2005, we piloted a capacity development programme for specific areas of work or organisations. Based on the success of this pilot, we invested a further £281,000 to provide capacity development support to over 100 organisations in 2006. This will include business planning, developing fundraising strategies, assessing organisational capacity, effective networking and developing partnerships.

Three organisations delivered this work across the country: Black Training & Enterprise Group (£150,000); Race Equality West Midlands (£40,000); AdviceUK (£75,000).

**Appendix Table 2: Organisations funded through the getting results programme**

Recipient from CRE	£
Age Concern Lewisham	25,000
Bath and North East Somerset	35,000
Bedford REC	42,500
Bexley REC	40,000
Birmingham Race Action Partnership	28,500
Black Community Development Project	27,500
Black Minority Ethnic Young People's Project	25,000
Black Neighbourhood Renewal & Regeneration Network	20,000
Bolton REC	24,000
Bradford Law Centre	28,000
Bristol Resource Centre (op. as Avon and Bristol Centre)	36,000

protect employee confidentiality. However, we can say that the grievances were brought by employees from a range of ethnic groups.

### Staff subject to disciplinary procedures

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

### Leavers

During the period monitored, 35 staff members (16% of the workforce) left the CRE's employment (28 resigned, six took redundancy and one retired). Nineteen (54%) of those who left were White, two (6%) were from a mixed background, five (14%) were Asian or Asian British, seven (20%) were Black or Black British, one (3%) was Chinese and one (3%) chose not to respond to the request for ethnic origin information.

Of the leavers, 12 (34%) were male and 23 (66%) were female, reflecting the current gender profile of the organisation.

### Performance appraisal

We use four ratings when conducting performance appraisals: 'excels in role'; 'performing well'; 'acceptable'; and 'below standard'.

During 2005/6, 26% of employees appraised received the rating 'excels in role', 72% were rated as 'performing well' and 2% were rated as 'acceptable'. There was no case where a 'below standard' marking was recorded.

Within most ethnic groups, about one-third were appraised as 'excelling' and two-thirds as 'performing well', except for the Black or Black British group, where 10% received an 'excelling' rating and 85% were appraised as 'performing well'.

## APPENDIX 3



## Staff, Offices and Resources

### The new English regional structure

In 2006, following extensive review and consultation, we completed a restructuring programme across the English regions, to improve our work with local communities. Our previous structure, of three regional teams based in London (covering London and the South), Birmingham (covering the Midlands) and Manchester (covering the North), was replaced by nine teams, to reflect the nine government office regions in England. These are the North East, North West, Yorkshire and Humber, West Midlands, East Midlands, East England, London, South East and South West. This structure gives us new opportunities to develop regional and local partnerships and networks through which to promote racial equality. The regional and national offices will provide us with valuable information about what is happening across Britain, and will be able to gather and share examples of good practice and information.

### Learning and development

In 2006, our human resources ACTION learning and development team ran 16 different types of course, covering, among other things, various management and IT skills. Staff also attended 52 external courses, and 20 employees were sponsored for further or higher education, most of which will lead to a professional or occupational qualification.

The team also looked at how best to provide staff with the skills needed to move into the Equality and Human Rights Commission (EHRC) in 2007. We began a series of training sessions on discrimination law in late 2006, which will run into 2007. We also drew up a training plan for staff, based on a comprehensive analysis of staff training needs. It will run from April to September 2007. To make sure that all CRE employees were aware of the learning and development opportunities available to them, we sent regular updates through the weekly staff newsletter.

### Disability Equality Scheme

We are committed to promoting disability equality, so that disabled people have every opportunity to participate fully in society. Our disability equality scheme was published on 4 December 2006. It sets out how we plan to meet our obligations under the amended Disability Discrimination Act, particularly how we will integrate disability equality into our current work during the lifetime of the CRE and when we join the EHRC in 2007.

### Gender Equality Scheme

The Sex Discrimination Act 1975 (Public Authorities) (Statutory Duties) Order 2006 places a statutory general duty on all public authorities to make promoting sex equality part of all their decisions and activities. We produced a draft scheme which we will consult on in early 2007. The final scheme will be published on or before the statutory deadline of 30 April 2007.

## Employment monitoring data

As with other public authorities bound by the duty to promote race equality, we continue to monitor the breakdown of our staff by ethnicity, sex and disability in the following areas: staff currently working for us, applicants for employment, applicants for training, staff involved in grievance procedures, staff subject to disciplinary procedures, leavers, and performance appraisals.

The information below relates to our workforce profile as at 31 December 2006, which includes permanent staff, staff on fixed term contracts and staff seconded to the CRE. Further details can be found on the CRE website.

**Appendix Table 1: Permanent staff in post at 31 December 2006, by ethnic origin, sex, and grade, in full-time equivalents**

	Chief Exec		Band A2		Band A1		Band B		Band C		Band D		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
White															
British	0	0	0	0	0	0	5	2	2	6	1	0	8	8	16
English	0	0	1	0	1	3	9	4	5	11	2	1	18	19	37
Scottish	0	0	1	0	1	1	2	1	0	1	0	1	4	4	8
Welsh	0	0	0	0	0	2	0	0	2	1	0	2	2	5	7
Irish	0	0	0	0	1	0	2	1	3	2	2	0	8	3	11
Other White	0	0	0	0	1	1	0	2	2	4	0	3	3	10	13
Subtotal	0	0	2	0	4	7	18	10	14	25	5	7	43	49	92
Mixed background															
White & Black Caribbean	0	0	0	0	0	1	0	0	0	1	1	1	1	3	4
White & Black African	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
White & Asian	0	0	0	0	1	0	0	1	1	2	0	1	2	4	6
Other Mixed	0	0	0	0	0	1	0	0	0	3	0	0	0	4	4
Subtotal	0	0	0	0	1	2	0	1	1	7	1	2	3	12	15
Asian or Asian British															
Indian	0	0	0	1	1	1	1	8	6	6	0	0	8	16	24
Pakistani	0	0	0	0	0	1	1	1	0	3	1	0	2	5	7
Bangladeshi	0	0	0	0	0	0	0	1	0	1	0	0	0	2	2
Other Asian	0	0	0	0	1	1	0	1	0	3	0	0	1	5	6
Subtotal	0	0	0	1	2	3	2	11	6	13	1	0	11	28	39
Black or Black British															
Caribbean	0	0	2	2	1	1	2	9	2	9	3	5	10	26	36
African	0	0	0	0	1	1	2	1	2	5	0	6	5	13	18
Other Black	0	0	1	0	0	0	2	1	0	3	1	1	4	5	9
Subtotal	0	0	3	2	2	2	6	11	4	17	4	12	19	44	63
Chinese, Chinese British or other ethnic group															
Chinese	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1
Other background	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1
No response	0	0	0	0	0	0	1	1	0	2	0	1	1	4	5
Total	0	0	5	3	9	14	27	34	25	64	11	23	77	138	215

## Staff in post

Of the 215 (77 male and 138 female) staff in post at 31 December 2006, 92 (43%) were White, 15 (7%) were from a mixed background, 39 (18%) were Asian or Asian British, 63 (29%) were Black or Black British and one was of Chinese origin. Five (2%) staff chose not to respond to the request for ethnic origin information.

## Applications for employment

Of the 833 job applications processed, 349 (42%) were from White applicants, 184 (22%) were from Black or Black British applicants, 169 (20%) were from Asian or Asian British applicants, 53 (6%) were from applicants from a mixed background and nine (1%) were from Chinese applicants. A total of 69 people (8%) chose not to respond to the request for ethnic origin information. 326 (39%) of the applications were from men, while 507 (61%) were from women. This gender ratio was fairly consistent across the ethnic groups.

Thirty-eight (5%) applicants were appointed. Twenty-one (55%) of the successful applicants were White, seven (18%) were Asian or Asian British, five (13%) were Black or Black British, two (5%) were from a mixed background and three (8%) chose not to respond to the request for ethnic origin information. Of the successful candidates, 12 (32%) were men and 26 (68%) were women.

## Promotions

Of the 18 applicants for promotion in 2006, 10 were employees from a White background, four Asian or Asian British, two Black or Black British, one of mixed background and one did not specify their ethnicity. Applicants were split equally by gender.

Eleven promotions were made. Of the successful candidates, six were White and the rest were from other ethnic groups. Three were male and eight were female employees.

## Staff attending training

During this reporting period, the in-house training department registered a total of 212 attendees (some employees attended more than one training session). Of these, 93 (44%) were White employees, 62 (29%) were Black or Black British, 38 (18%) were Asian or Asian British and 15 (7%) were from a mixed background. One was Chinese and three (1%) did not reveal their ethnic origin. Eighty-three (39%) were male and 129 (61%) were female. This reflects the overall profile of the organisation, indicating that there is no difference by sex or ethnicity in terms of access to training.

## Applications for financially-assisted training

All ten (5%) employees (eight female, two male) who applied for financially assisted further training and higher education courses were successful. Eight of these employees were White, one was from a mixed background and one was Black or Black British.

## Staff involved in grievance procedures

There were seven grievances over this reporting period, of which four were not upheld, one was resolved and two are ongoing from the previous year. Due to the small numbers involved, no further breakdown can be provided on this data in order to