HM Revenue & Customs

Race Equality Scheme

2008-2011

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Foreword

I am very pleased to introduce HMRC’s 2008 – 2011 Race Equality Scheme.

Our business strategy is based on understanding our many different customer groups so that we can respond appropriately to their diverse needs and make it easy for them to get things right. I believe that HMRC’s positive approach to race equality and diversity is central to achieving this aim.

Our people have different skills; different ways of thinking and working; different knowledge and experience. We need to empower all our people to do their best and harness these differences, promoting inclusion, eliminating discrimination and providing an informed and responsive service to our customers.

I am delighted with some of the progress we have made in recent times:

- our very successful Race Conference, held in April 2010;
- our Black, Asian and Minority Ethnic Women’s Network, short-listed for the 2010 Race for Opportunity Employee Network Award; and
- Ground-breaking research with Cranfield University, looking at the experience of senior minority ethnic colleagues in HMRC.

We have set ourselves high standards and we will not tolerate discrimination in any shape or form. The vast majority of our people are entirely professional and one of the ways we support that professionalism is by taking decisive action if problems do arise. Recent experience with a small number of our people in Northern Ireland has shown that we need to remain vigilant to ensure that these high standards of fairness and customer service are maintained.

Race equality is more important than ever during these challenging economic times and I want us to lead the way in taking forward the Government’s diversity agenda and to demonstrate the highest standards of professionalism and equality in how we manage our people and treat our customers.

Dame Lesley Strathie, Chief Executive and Permanent Secretary
1. Overview

We want our workforce to reflect the diversity of our customers and we want to develop and use the collective experience of that workforce to deliver high quality service. This Race Equality Scheme (RES) provides the framework for taking forward the race strand of that aim and to address the barriers that race can create for our employees and customers. It sets out the actions we will take to fulfil our responsibilities under the Race Relations (Amendment) Act 2000. It also provides a very public commitment of our policy to eliminate all unlawful discrimination and harassment and to promote equality of opportunity between people of different racial groups.

Sections 2 to 4 of this document summarise what we do, how we are structured and our commitment to race equality. Sections 5 and 6 set out our progress so far and our key priorities to address during the life of the scheme. The final sections cover the consultation, monitoring and governance that will enable this RES to be updated and progressed.

Action plan

The accompanying action plan at Annex A details the specific actions we will take to deliver our key race objectives and, in doing so, ensure that all our policies, procedures and ways of working do not have an adverse impact on our employees, stakeholders and customers because of their race.

We recognise that measuring progress against these objectives will not always be easy and that the full impact of some of the actions in the plan may not be evident within its lifespan. Monitoring processes are in place and are being refined and developed to track activity and to introduce new actions, as appropriate.

Integrating race equality

We are committed to ensuring that race equality issues become integral to everything we do:

- policy holders consider opportunities to promote good relations as part of the EQIA process;
- we have provided comprehensive guidance on how to carry out EQIA work, which gives clear advice on promoting good relations;
- we look for opportunities to enable different communities to meet and openly discuss issues and concerns with us in order to promote good relations;
- we use opportunities, particularly in our outreach work and work with local communities, to use
We also use opportunities in the way in which we communicate or publicise activities to ensure that particular racial groups do not feel unfairly targeted.
2. About HMRC

Our vision and purpose

Our vision is to close the tax gap, to make the tax system simple and even-handed for our customers and to be seen as a professional and efficient organisation. Our purpose is to make sure that money is available to fund the UK’s public services and to help families and individuals with targeted financial support.

Our Activity

Our main business activity is to collect taxes, duties and National Insurance contributions and to make tax credit and Child Benefit payments. In 2008-09, over £435 billion in revenue was collected and over £35 billion paid out in tax credits and benefits. A list of the taxes, duties and benefits we administer can be found at Annex B.

As we are one of the Chancellor’s departments our budget is allocated by HM Treasury.

Our Structure

We employ approximately 80,000 people at 650 sites across the UK.

Four operational business units deliver front line services to our customers. They are:

- **Personal Tax** - supports 60 million individual customers across the UK to fulfil their tax obligations;

- **Business Tax** - assists businesses in paying the right amount of tax;

- **Benefits and Credits** - helps families to receive the benefits and tax credit payments they are entitled to; and

- **Enforcement and Compliance** - ensures that the full amount of money due is collected from UK taxpayers and investigates tax and duty offences.

Corporate service functions, a legal profession and a number of units that have specific remits to enhance the delivery of our strategic objectives support these four operational business units. A structure chart can be found at Annex C.
3. Legal Framework

Section 71 of the Race Relations Act 1976 as amended (RRA) requires public authorities, of which HMRC is one, to comply with a General Duty to promote race equality. It also enables the Home Secretary to impose additional Specific Duties on named authorities to assist them in meeting that duty.

The General Duty requires us, in carrying out our functions*1, to have due regard*2 to the need:

- to eliminate unlawful racial discrimination; and
- to promote equality of opportunity and good relations between persons of different racial groups.

The aim of the General Duty is to make race equality a central part of the way HMRC works, by putting it at the centre of policy-making and employment practice.

The Specific Duties contained in the Race Relations Act 1976 (Statutory Duties) Order 2001 (Statutory Instrument 2001 No. 3458), require us to produce a Race Equality Scheme showing how we intend to fulfil our duties under Section 71(1) of the Race Relations Act.

Promoting good relations

We are committed to seeking opportunities for meeting Section 71 RRA, in relation to the requirement to have due regard to the promotion of ‘good relations’. Good relations are about understanding the influence that HMRC can have in tackling issues arising from racism. We have developed a national Diversity and Inclusion Strategy (see Section 4) that reflects:

- our commitment to diversity, whilst also stepping up our commitment to equal opportunities; and
- The increasing focus on recognising the diversity of our customers in our policy, compliance and customer service work.

The Single Equality Act 2010

We are reviewing our policies, practices and guidance in the light of the Equality Act and in preparation for the changes that will come into effect in October 2010 and beyond.

*1 The term ‘functions’ means the full range of HMRC’s activities, duties and powers. It includes both existing and proposed policies.
*2 To have “due regard” means that the weight given to racial equality should be proportionate to its relevance.
4. Our strategy for diversity

Our approach to promoting equality and valuing diversity is all-encompassing and focuses on not only the need to comply with legislation but also on identifying and developing best practices.

We take race equality issues into account in how we function as an employer and service provider. We welcome the opportunity provided by the Race Equality Duty to enhance our understanding of and commitment to race equality in policies, procedures, operations and service delivery.

**HMRC’s Diversity and Inclusion Strategy**

Our Diversity and Inclusion Strategy (DIS) reflects our drive to mainstream equality and inclusion into every aspect of our work. It covers our diversity and equality aims in response to the Civil Service Diversity Strategy – Promoting Equality and Valuing Diversity. It recognises that employees have different skills, different ways of thinking and working, different knowledge and experience, and the need to harness these differences for the benefit of our business and customers.

The Diversity Inclusion Strategy can be viewed at Annex D. The Diversity Delivery Plan is available on request.

**HMRC’s Workplace Strategy for Black, Asian and Minority Ethnic (BAME) Staff**

This strategy is aligned to our commitments under the Race Equality Scheme and is focused on improving representation at senior grades, ensuring that BAME staff have access to development opportunities, raising awareness of race diversity issues within HMRC and improving communications.

A copy of this strategy can be viewed at Annex E
5. Making progress on race equality

With the support of HMRC’s Race Champion, Dave Hartnett, we are making good progress in taking forward our race agenda. We have a high level of involvement from members of our Race Network and our BAME Women’s Network. With their assistance, implementation of Race Equality Action plan is progressing well and the issues highlighted by the Networks and the April 2010 are being addressed.

Building an inclusive workplace

i. Race Champion

We recognise that people have different skills, different ways of thinking and working, and different levels of knowledge and experience. Diversity in HMRC is about harnessing these differences for the benefit of the organisation, promoting equality and inclusion and eliminating discrimination. To be successful, we need to be an organisation that is inclusive, flexible and welcoming of people with different backgrounds, approaches or perspectives.

Dave Hartnett, Permanent Secretary for Tax and HMRC Executive Committee member, took on the role of HMRC Race Champion in 2009. Dave provides a very visible and senior support to our commitment to be an inclusive organisation and to promote race equality across HMRC. He is proactive in his role across the organisation and has taken swift and visible action when issues and barriers have been identified. He meets with Network members and Trade Union Side representatives on a regular basis in order to understand their concerns.

Dave spoke at the launch of the BAME Women’s Network and the 2010 Race Conference, underlining HMRC’s top-level commitment to race equality. He has chaired two race phone-ins, enabling him to gain a good understanding of the concerns and issues facing BAME staff. HMRC’s intranet-based ‘Hotseat’ provides an additional opportunity for senior managers, including Dave and Judy Greevy (Head of Corporate Responsibility, Diversity and Wellbeing), to respond directly to questions from employees. In the year to 31 March 2010, nine Hotseat questions were answered specifically in relation to race issues and many more addressed broader diversity questions.

ii. Learning and Awareness

We have developed a range of diversity awareness training material for managers and staff, to ensure that everyone understands their responsibilities under the race equality legislation and HMRC’s equality and diversity policy. These include:
• Diversity Awareness for HMRC;
• Delivering Diversity for HMRC Managers; and
• Diversity on the Frontline - for staff who have direct contact with our external customers.

In consultation with the Race Network and the Trade Union Side, we have also developed a race-specific training package for all employees - *Introduction to Race and Cultural Awareness* – which explains HMRC’s policy on diversity, describes what the law says about race discrimination and promotes an increased awareness of race equality issues within the workplace.

From April 2010, all employees must increase their understanding of diversity and inclusion, and their personal responsibilities under the equality legislation and HMRC policy, by completing the mandatory *Diversity Awareness for HMRC* e-learning package. In addition, specific training on diversity and equality is part of our mandatory training for all new managers and those returning to management after a gap of three years or more, regardless of grade.

We have also developed and delivered an extensive programme of EQIA training for key stakeholders across HMRC. The programmes includes: EQIA training for staff involved in implementing office closure and relocation decisions; new on-line guidance for all employees; high-level briefings for senior managers; and role-specific workshops for key business areas, including Estates & Support Services and Customer Contact Directorate, to embed the EQIA process into project management and decision making.

**iii Network activity**

We have provided ongoing support for HMRC’s Race Network, with the appointment and training of a new coordinator. The Network is very active, with over 400 members. Support is also provided for the BAME Women’s Network of 250 members, which was launched in December 2009 with the aim of helping BAME women to develop the skills, knowledge and confidence to progress within HMRC.

Through a range of activities - including work-shadowing, mentoring, workshops, role models and reverse mentoring of senior staff by BAME women - the network is growing confident women who are better able to recognise and take advantage of opportunities and career progression paths. The BAME Women’s Network is the first cross-government group to focus on BAME women and has recently been short-listed for the 2010 Race for Opportunity Employee Network Award.

**iv Personal Development**

We are working closely with the Network of Black Professionals (NBP) to identify and provide developmental opportunities for Network members. In addition, a number of developmental programmes
have been introduced as a positive action measure to help address the under-representation of BAME people at senior grades. They include:

- **Achieving Your Potential** – an online self-paced learning development programme which is targeted at members of the HMRC Diversity Networks;
- Debt Management and Banking (DMB) Race Staff Network Mentoring Scheme;
- Benefits and Credits **Cultivating Potential Programme** – there are two strands to this developmental programme, of which one is specifically aimed at staff from BAME backgrounds;
- Co-coaching – a number of HMRC staff are currently undertaking the Network for Black Professionals co-coaching programme; and
- Talent Pools - individual business units run Talent Pools or programmes designed to unlock potential and encourage our future managers and leaders to grow and develop.

**Race Network Conference**

A national Conference was held in April 2010 with around 100 attendees from the Race and BAME Women’s Networks. Key sessions have been filmed for wider dissemination across HMRC.

**Reverse mentoring**

We have developed an innovative reverse-mentoring programme, led by members of the BAME Women’s Network, based on guidance provided by CRD&W. To date, five Executive Committee members, including the Race Champion, have participated in reverse mentoring and a number of other senior managers have expressed an interest. This programme raises senior managers’ awareness and confidence around race issues, provides valuable developmental opportunities for junior BAME staff and demonstrates senior-level commitment to diversity.

**Black History Month**

In 2009, we co-sponsored (with DEFRA and other Government Departments) an event to support Black History Month. We also co-produced a photographic exhibition and a booklet that was distributed at the event and published on the Intranet.

In 2010, our Race and BAME Women’s Networks are planning an event to be held in Manchester on the theme of black innovation. The keynote speakers will be recorded on DVD for wider circulation across the organisation and other government networks. Communications during the month will include a series of intranet articles on black role models. We are also working with other Government Departments, including Cabinet Office and DEFRA, to co-host five events in London.

**Community and other external activity**

For a number of years we have been a regular supporter of the National Mentoring Consortium (NMC), which provides mentoring opportunities for BAME undergraduates from 12 universities across the UK.
We provided over 120 mentors for the 2009 programme, many of whom were Network members, and seven of whom received awards from the NMC for their support for this scheme. We have also worked closely with the Citizens Advice Bureau on tax and benefit issues e.g. since our liaison with Advice NI and the South Tyrone Empowerment Programme (STEPS) to raise awareness of entitlement to Tax Credits among Northern Ireland’s migrant workers, there has been a significant increase in Tax Credit claims from this sector.

**ix Employment policies and processes**

We reported on our performance in relation to our employment policies and processes for 2008-09 in the Race Employment Duty Monitoring Report, which was published in October 2009. The full report is available at: [http://www.hmrc.gov.uk/about/reed-report-0809.pdf](http://www.hmrc.gov.uk/about/reed-report-0809.pdf)

The Employment Duty Monitoring Report for 2009-10 will be published in October 2010.

**Measures and monitoring**

Since the implementation of our new online-HR system in 2007, we have continued our high profile campaign – led jointly by HMRC’s Chairman, Permanent Secretary and Race Champion - to raise diversity declaration rates. As a result, our Executive Committee has reached a 100% declaration rate for ethnicity and our overall ethnicity declaration level has increased from 66.25% in 2008 to 75.37% at 31 July 2010. We are continuing to work closely with business units in developing targeted action plans aimed at reaching the Cabinet Office target of 90% by 2013.

We monitor many of our HR functions for race equality including: representation, performance appraisals, development programmes and grievances.

**i. Representation by grade, as at 31 July 2010**

Our data shows that BAME employees are under-represented (in comparison to their overall representation level in HMRC) at HO grade and above. BAME employees are significantly under-represented at Grade 6 and in the SCS. We are continuing to work with business areas to increase declaration rates to gain a more accurate picture and many of the actions in our RES Action Plan are designed to address this current under-representation.

<table>
<thead>
<tr>
<th></th>
<th>Known BAME</th>
<th>From a declaration rate of</th>
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<tbody>
<tr>
<td></td>
<td>Numbers within grade</td>
<td>Numbers</td>
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<tr>
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<td>373</td>
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<tr>
<td>Grade 6</td>
<td>1186</td>
<td>33</td>
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<td>Grade 7</td>
<td>2452</td>
<td>95</td>
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<tr>
<td>FS</td>
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<td>19</td>
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<td>SO</td>
<td>3735</td>
<td>117</td>
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<tr>
<td>HO</td>
<td>9422</td>
<td>455</td>
</tr>
<tr>
<td>O</td>
<td>17351</td>
<td>967</td>
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</tbody>
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HMRC RES 2008-2011
ii  **Performance Appraisals (data for 2009/10)**

The percentage of BAME staff receiving a top box marking remains at 15%, as it was in 2008-09, which is lower than the percentage of white staff receiving the same marking. We are undertaking further analysis, in terms of pay-band and business units, to help us understand the reasons for the imbalance and to target action appropriately.

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<th>Ethnicity</th>
<th>White</th>
<th>% of White</th>
<th>Ethnic Minority</th>
<th>% of Ethnic Minority</th>
<th>Chose Not To Declare</th>
<th>% of Not Declared</th>
<th>Not Known</th>
<th>% of not known</th>
<th>Total</th>
<th>% of all</th>
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<tbody>
<tr>
<td>Top</td>
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<td>19%</td>
<td>591</td>
<td>15%</td>
<td>650</td>
<td>18%</td>
<td>2865</td>
<td>15%</td>
<td>13361</td>
<td>18%</td>
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<tr>
<td>Good</td>
<td>38465</td>
<td>79%</td>
<td>3277</td>
<td>83%</td>
<td>2853</td>
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<td>Formal Poor Performance</td>
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<td>7</td>
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<td>&lt;5</td>
<td>&lt;1%</td>
<td>14</td>
<td>&lt;1%</td>
<td>46</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>48474</td>
<td>100%</td>
<td>3962</td>
<td>100%</td>
<td>3549</td>
<td>100%</td>
<td>19528</td>
<td>100%</td>
<td>75513</td>
<td>100%</td>
</tr>
</tbody>
</table>

iii  **Formal grievances**

Of the formal grievances brought within HMRC last year, 86.14% were from white staff and 13.86% from BAME employees. We are analysing the reasons for diversity-related grievances to identify issues and problem areas, which we will address proactively for the future.

iv  **Employee engagement and ethnicity**

We have analysed HMRC’s staff survey results by the different diversity strands in terms of overall levels of staff engagement. The top-level analysis shows that Asian staff (49%) and Black staff (47%) are more engaged than White staff (36%). The graph shows a detailed breakdown of engagement levels by the different ethnic groups.
Our Internal Audit Division was commissioned to conduct two audits to test the impact and effectiveness of our Diversity and Inclusion strategy and policies i.e.:

- a review of HMRC’s compliance with our obligations under the race equality legislation; and
- A review of the extent to which Directors are aware of, and comply with, their legal obligations and HMRC diversity policies and have controls in place to meet these obligations.

Action is underway to implement the recommendations of both audits. This includes working with Individual Customer Directorate and Customer Contact Directorate to establish how HMRC can best monitor external customers by equality group to assess the impact of our policies and processes on different customer groups, in line with our external-facing EQIA work.

**Research**

We are working with Cranfield University on a ground-breaking piece of research to examine how the personal identity of senior BAME staff in HMRC (Grade 7 and above) can both help and hinder personal and organisational performance and progression, and how departmental culture may challenge ethnic minority individuals’ identities. Draft findings have been received and are being considered for further dissemination and action. The aims of the research are to identify and address any barriers facing BAME staff at senior levels and to provide valuable information to support the development of the individuals who are taking part in the research.
vii  Learning and development
We are monitoring the take-up of diversity training and we provide alternative delivery options, wherever possible, to ensure that training is accessible to all staff.
Each stage of the development of our diversity learning is evaluated under our departmental learning evaluation process. We are committed to using the results of our evaluation processes to ensure the continuous development and improvement of our learning material.

viii  Development programmes
We will continue to monitor data in respect of recruitment to our development programmes and work with the recruitment team to ensure that the recruitment process is fair and inclusive.

Working with our customers
We are committed to understanding the diverse needs of our customers so that we can make it easy for them to get things right. One of our priorities is to gain a better understanding of the needs of our customers from a race perspective, to ensure our products and processes are accessible for all.

We monitor the take-up of benefits across different ethnic groups, via an optional ethnic monitoring form in benefit application packs. In our Enquiry Centres, we monitor the number of queries from migrant workers (identified as those whose first language is not English), in order to improve and review our provision of language services. Further information on public access to our services, including overcoming language barriers can be found at Section 9.

An EQIA of Targeted Education, Enabling and Leverage (TEEL), our customer facing education function, identified that future workshops to inform the members of the public about their tax responsibilities may also provide an opportunity to promote good relations. Guidance has been issued to encourage workshop organisers to consider opportunities for inviting people from different racial groups to future workshop events

We have commenced a major new programme of quarterly surveys, which will provide regular updates on customers' experience. We will collect ethnicity information and this will enable us to gauge how we are delivering our services for our BAME customers and identify any areas where we can make improvements.

Through our Grant in Aid Programme, we have funded a variety of organisations from the charity and voluntary sector to provide support and advice in relation to tax and tax credits, a proportion of which has been targeted at customers from BAME and migrant backgrounds.
Working with our suppliers

We have:

- revised any standard terms and conditions, which we have for contracting out a service to include information about the Race Relations (Amendment) Act 2000 and ensured that relevant government guidance on social or equality issues in procurement is considered;

- included a requirement in every contract that the contractor must comply with the anti-discrimination provisions of the RRA and HMRC’s own equality policies;

- where relevant, specified what evidence the contractor may need to gather to demonstrate its compliance with the general or specific duties of the RRA and HMRC’s equality policies;

- ensured that race equality is appropriately reflected, in the specification, selection and award criteria, and the contract conditions, in a way which is consistent with EC and UK procurement rules;

- monitored performance of race equality where relevant to the contract;

- provided training for all staff involved in procurement work so that they fully understand the provisions of the RRA and the relevance of the duty to promote race equality in their area of work.

To enable us to monitor our suppliers more accurately, in September 2009 we launched a pilot of the CAESER (Corporate Assessment of Environmental, Social and Economic Responsibility) Equality and Diversity Assessment. This is an online toolkit designed to assess suppliers’ policies and practices in the area of equality and diversity. Our main suppliers were asked to support our equality objectives by completing the self-assessment, thereby benchmarking their business practices. We then looked at the self-assessments and provided guidance for improvement, where necessary. We will be tracking the actions our suppliers are taking in relation to the recommendations to improve.

Our innovative work in this area has been shortlisted for the Equality in Procurement category of the 2010 Civil Service Diversity and Equality Awards.

Eliminating discrimination

We have a zero tolerance policy towards racial discrimination, bullying and harassment. We are committed to behaving professionally and with integrity in the way we deal with each other and our customers. Each member of HMRC has a responsibility to help build a positive workplace culture by challenging and dealing promptly with inappropriate behaviour.
Our guidance also makes it clear that everyone has a responsibility to report observed instances of harassment and bullying and that managers must deal with these concerns immediately. There is a 24-hour hotline available to staff to enable them to report concerns directly to Internal Governance, if they feel they cannot approach their manager.

In August 2010, we took disciplinary action resulting in dismissal, against seven of our employees. Acting on customer feedback, we established that they had discriminated against a small number of customers on the basis of their ethnic origin. Disciplinary proceedings were initiated as soon as the issue came to light and we are developing a detailed action plan to address the lessons learned.
6. HMRC’s Priorities on Race Equality

In taking account of the progress we have made on race equality and feedback from our race consultation process, we have established five high-level objectives for this Scheme:

- with the support of our Race Champion and Networks, build an inclusive workplace for our people that is free from race barriers;
- improve the quality of our measures and monitoring data to identify barriers and inform future action, including equality impact assessment of our policies and procedures;
- make it easier for our customers to engage with HMRC, irrespective of their race;
- ensure our procurement procedures meet race equality requirements; and
- take firm action to eliminate discrimination, whether internally or in relation to our customers.

The five areas covered by these objectives form the key components of our Action Plan at Annex A and are expanded on below. Our current Race Action Plan covers the period 2010-11. This builds on the progress we have made during the period 2008-10, which is detailed in Section 5.

Priorities for building an Inclusive workplace

- Continue to raise awareness of HMRC’s commitment to race equality through the Race Champion and staff Race Network and provide regular communication on progress and activity.
- Continue to take positive action to provide developmental opportunities for BAME staff and support Network activity.
- Monitor grievances and race-related complaints to identify concerns and areas requiring further action.
- Monitor the take-up of diversity training to ensure improved awareness across HMRC.

Priorities for measures and monitoring

- Drive up staff ethnicity declarations so that our data provides an accurate picture of the ethnicity of staff in HMRC.
- Continually monitor and review our data collection processes for employment policies to ensure
• Carry out equality impact assessments for policies and procedures.

• Carry out a project to identify and address the main barriers to BAME progression across the grades.

NB Section 7 deals specifically with the EQIA elements of our monitoring programme.

**Priorities for working with our customers**

From our customer research, we have identified the need to undertake further detailed analysis to give us a better understanding of the impact of our business on different ethnic, gender and disability groups. The aim is to identify:

- the profile of HMRC’s customers for different products and services in relation to their race, gender and disability; and
- which areas of our services are perceived to pose greatest risk for discrimination and, conversely, offer greatest potential for promoting equality.

The findings of this research will inform the selection of priority actions to be taken, as required under the Single Equality Act. In relation to race, the project will:

- establish the customer information held in HMRC in relation to our impact as a service provider and enforcement body on different racial groups;
- set a strategy for ethnic monitoring of our customer service across HMRC; and
- establish processes to more effectively understand the impact of our services and actions on different racial groups, to identify areas where we can better promote race equality.

**Priorities for working with our suppliers**

- Continue to ensure that our procurement processes comply with legislative requirements, government guidance and HMRC’s equality policies.
- Reflect race equality in the specification, selection and award criteria, and the contract conditions, in a way which is consistent with EC and UK procurement rules;
- Monitor performance of race equality, where relevant to the contract; and
- Track the actions our suppliers are taking in response to recommendations from the CAESER Equality and Diversity Assessment process.
Priorities for eliminating discrimination

In the light of the unacceptable actions of a small number of HMRC staff in Northern Ireland, we have identified three additional key priorities, as follows:

- review relevant materials to ensure that diversity messages in relation to expected behaviours and legal responsibilities are stated clearly;

- develop a series of communications designed to be used at team meetings to stimulate discussion and improve understanding; and

- ensure channels for reporting unacceptable behaviour and related support networks are publicised widely.
7. Equality Impact Assessments (EQIAs)

Our full Equality Impact Assessment involves an eight stage process i.e.:
i) Identification of policy aims; ii) consideration of available data and research; iii) assessment of the likely impact on race equality; iv) consideration of measures or alternative policies; v) consultation; vi) a decision; vii) arrangements to monitor and review the way the policy works; and viii) publication of the results. Further detail on this process can be found at Annex G.

If an EQIA identifies a potential adverse impact on race and there is no alternative policy, we will take steps to lessen any adverse impact. Special monitoring and analysis will be used to confirm the extent of the adverse impact and / or the success of any mitigating measures.

We have developed a package of online guidance for staff to support them in carrying out EQIAs. The guidance is too large to include with this scheme but can be provided on request.

Directors are responsible for ensuring that compliant and effective EQIA work is identified and undertaken. Our Corporate Responsibility, Diversity and Wellbeing Team (CRD&W) provides support and policy advice on EQIA work. Every full EQIA is subject to final quality assurance for compliance with the Race Equality Duty before publication.

To promote openness in the EQIA process, we

- make publicly available the outcome of any equality impact assessment, subject to Budget confidentiality rules, as part of the publication of Regulatory Impact Assessment or as part of the annual reporting process on this RES;
- make available consultation documents, once prepared, showing involvement of different diversity groups;
- include results of the consultation in the final equality impact assessment; and
- publish the results of monitoring, where appropriate, as a summary in our Annual Report or other relevant publication.

Any material we publish on EQIAs covers: the aims of the policy; details of the outcome of the assessments, highlighting whether there is any adverse impact and how it should be mitigated; details of any consideration given to alternative policies and recommendations for action to take.

Detailed information on our EQIA process can be found in Annex G.
8. Consultation

Our formal consultation was carried out HMRC’s in accordance with the Government’s Code of Practice on Consultation.

To take account of Section 71 RRA we have:

• consulted as appropriate with the Equality and Human Rights Commission (EHRC) on relevant Section 71 RRA issues;

• considered any proposals from the EHRC that will enable us to make progress with the Scheme;

• consulted with appropriate organisations and our own Staff Diversity Networks, including those for Race, BAME Women and Religion or Belief.

• consulted with external stakeholders and race experts e.g. we regularly consult with Race for Opportunity and we are active members of the Network for Black Professionals. Our external race experts provide advice and challenge across all our functions;

• consulted with the Trade Unions on our strategies, policies, equality schemes and equality impact assessment work;

• aimed to provide a period for response of at least twelve weeks for non-Departmental Public Bodies and to begin consultation as early as possible; and

• considered the results of equality impact assessments and consultations carried out in relation to adopted or proposed policies.

Consultation was planned from September 2009 to November 2009 and then extended to February 2010. Feedback has been incorporated into this scheme and further comment is welcomed throughout the lifetime of the Scheme.
9. Public access to information and services

We make information available on the HMRC website at [http://www.hmrc.gov.uk](http://www.hmrc.gov.uk).

All our public offices will maintain a welcoming environment.

In addition, we provide:

- additional information and support, via a specialist unit, for migrant workers to enable them to access their full entitlements and understand their responsibilities; this includes clear and concise online guidance for migrant workers coming into the UK. The guidance covers Income Tax, VAT, National Minimum Wage, National Insurance, and bringing goods into the UK. The guidance is available in English, Bulgarian, Czech, Lithuanian, Polish, Portuguese, Russian and Slovakian;

- broadcasts on local radio stations in the language used by that station. In May 2008, HMRC’s Communications and Marketing Team appointed a Press Officer with specific responsibility for BAME communication;

- leaflets in languages other than English;

- a telephone interpreting service which will allow staff in the Enquiry Centres (face-to-face contact) and Contact Centres (telephone contact) to communicate with customers for whom English is not their first language. This service currently provides over 150 languages;

- information on the complaints process available on the Internet, at Enquiry Centres, libraries, Citizens’ Advice Bureaux, ports and airports; and

- feedback services and surveys e.g.: exit surveys for most of our Online services; feedback pages on our website; results of analysis of customer complaints and wider customer feedback surveys.

Where we identify barriers to accessing information or services, we will:

- work to deliver service improvements; and

- work to improve our understanding of our customers’ requirements.

Some further examples of support for our customers are:-

The Welsh Language Scheme

The Welsh Language Act 1993 established the principle that we should treat the Welsh and English languages on an equal basis within Wales. In March 2008 we agreed and signed up to a four year agreement; the [Welsh Language Scheme](http://www.gov.uk) (PDF 170kb). This details how HMRC will provide its Welsh
language services e.g. Welsh language telephone lines; written replies in Welsh; bilingual versions of leaflets and notices.
10. Review and governance

Review

This document will be published on the HMRC website at http://www.hmrc.gov.uk/about/diversity.htm. We hope this will encourage Internet users, including young people, to access the Scheme. It will also be published on internal Intranet site to make it available to all HMRC employees.

Subject to any new requirements, this RES will be reviewed annually with a comprehensive update carried out every three years. Data and feedback for monitoring will continue to be gathered from employee and customer surveys, employee networks, external research and consultative groups, including the EHRC.

Governance

Key roles

- Our Executive Committee (ExCom), led by Dame Lesley Strathie, has overall accountability for this RES.

- The Permanent Secretary for Tax (Executive Committee Race Champion) ensures that race equality is considered as part of strategic decision making.

- The Head of Corporate Responsibility, Diversity and Wellbeing influences and co-ordinates action to build race equality into all that we do.

Committees and groups

- The People Matters Committee, which is a sub committee of ExCom, has an assurance role and will monitor RES progress at least annually.

- The Directors General on the Executive Committee are responsible for implementing this RES in their business areas.

- The Race Staff Network and its sub group and the Individuals Customer Directorate provide feedback and advice on implementation and new areas for action.
11. **Contact**

**Alternative format requests**

This document is published on the HMRC website at [http://www.hmrc.gov.uk](http://www.hmrc.gov.uk). Alternative format requests for large print, Braille or audio cassette versions should be sent to: HMRC, Visually Impaired Media Unit, 2nd Floor, Victoria Street, Shipley, West Yorkshire, BD98 8AA. Tel: 01274 539646.

**Questions**

If you have any questions about this document or would like to make a comment, please contact:

CR, Diversity & Wellbeing Team

Second Floor

Yorke House

Castle Meadow

Nottingham

NG2 1BG

Email: crunit@hmrc.gsi.gov.uk

**Complaints**

We have an established complaints process within which we address issues relating to equality of opportunity, including for failing to meet the commitments made in this RES, by:

- considering complaints where we have not fulfilled our statutory obligations;
- aiming to resolve any such complaints as quickly as possible; and
- providing a full and timely response.

We will continue to ensure that the complaints process is fully accessible to our customers and employees.

Full details are available: [http://www.hmrc.gov.uk/complaints-appeals/how-to-complain.htm](http://www.hmrc.gov.uk/complaints-appeals/how-to-complain.htm)

These procedures include how to progress your complaint if you are not satisfied with the treatment you have received.
If any HMRC employee feels that HMRC is failing to implement the commitments made in this Scheme, they should contact HMRC’s Senior Diversity Manager:

Eileen Finnigan – Corporate Responsibility, Diversity and Wellbeing Unit
Tel: 0207 438 4293
E-mail – eileen.finnigan@hmrc.gsi.gov.uk

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<thead>
<tr>
<th>Task/Activity</th>
<th>How achievement will be demonstrated/measured</th>
<th>Lead Responsibility</th>
<th>Progress Update</th>
<th>Review/ completion date</th>
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<tbody>
<tr>
<td><strong>1. Build an inclusive workplace</strong></td>
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<td><strong>Leadership</strong></td>
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</tr>
<tr>
<td>1.1 Board-level Race Champion to reinforce HMRC’s commitment to race equality and ensure race issues are considered at a strategic level in HMRC.</td>
<td>Increased commitment to communicate progress on delivering against race plans.</td>
<td>Champion, CRD&amp;W</td>
<td></td>
<td>Progress report to be published October 2010</td>
</tr>
<tr>
<td>1.2 Race Champion to provide opportunities for 2-way communication on race issues and regular updates on progress.</td>
<td>Telephone days held and progress reports published. Reduced number of hotseat questions requesting information on progress and actions.</td>
<td>Champion, CRD&amp;W</td>
<td>Two phone-ins have been held</td>
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<tr>
<td><strong>Race Network</strong></td>
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<tr>
<td>1.3 Hold national Conference for Race Network - supported by Race Champion. Publish Conference report on the intranet.</td>
<td>Conference held. Champion attended as key speaker. Network profile raised - increased membership in Network.</td>
<td>Champion, CRD&amp;W</td>
<td>Conference took place in April 2010 and report published. All actions have been incorporated into this plan</td>
<td>30 April 2010</td>
</tr>
<tr>
<td>1.4 An Action Plan to be agreed for the Race Network</td>
<td>Action plan agreed by stakeholders &amp; published on network intranet pages</td>
<td>Network Coordinator, Champion, CRD&amp;W</td>
<td>Plan has been agreed</td>
<td>July 2010</td>
</tr>
<tr>
<td>1.5 Publish clear terms of reference for the staff networks and reinforce these in a welcome letter to all network members.</td>
<td>Managers understand network adds value to business. Employees understand their role and have time to participate in activities</td>
<td>Champion, CRD&amp;W, network co-ordinator</td>
<td>Achieved and published</td>
<td>End July 2010</td>
</tr>
<tr>
<td>1.6 Establish an effective communication process to keep network members updated on progress and CRD&amp;W appraised of issues/concerns.</td>
<td>Two-way communication strategy in place. Actions to address concerns or issues raised by the network are factored into race plans.</td>
<td>Network Coordinator, Champion, CRD&amp;W</td>
<td></td>
<td>December 2010</td>
</tr>
<tr>
<td>1.7 Hold a Race event</td>
<td>Event held. Network</td>
<td>Champion, Network</td>
<td>Black History Month</td>
<td>March 2011</td>
</tr>
<tr>
<td>Task/Activity</td>
<td>How achievement will be demonstrated/measured</td>
<td>Lead Responsibility</td>
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<tr>
<td>for staff in the north of England</td>
<td>profile raised - increase in number of network members</td>
<td>Coordinator, CRD&amp;W</td>
<td>event planned for Oct 2010</td>
<td></td>
</tr>
</tbody>
</table>

### Raising awareness

1.8 Improve Diversity Network intranet pages | Pages more accessible and network members more aware of activities and events | CRD&W, Network Coordinator | Achieved | 30 June 2010 |

1.9 Begin Phase 2 training development for managers/employees/ Network Coordinators/Diversity Leads | Training completed | CRD&W | 31 July 2010 |

1.10 Develop and deliver senior level briefings to key leaders across each of HMRCs Business Units covering the general and specific duties and the need for EQIA | Senior Managers understand the requirements under the RRA and the implications for their business areas, EQIA plans targeted on priority areas. Better monitoring in place to identify priorities | CRD&W, PF Learning | Achieved | 31 October 2010 |

### Personal Development


1.12 Develop in-house scheme for under-represented groups, using skills/experience of participants from the National Mentoring Consortium and Co-coaching Programmes | Pilot in-house scheme | PF, CRD&W | Mentoring scheme established | March 2011 |


1.14 Promote all personal development programmes aimed at BAME groups. | BAME staff participate in the Programmes. Including details in intranet guidance to all staff, highlighting them at the staff Race Conference and | CRD&W, PF | List distributed at Race Conference | July 2010 |
<table>
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<tbody>
<tr>
<td>1.15 Develop action targeted at BAME women from Senior Women's Network events</td>
<td>Increase in BAME women progression in HMRC; increased confidence of staff and more applications from BAME Women</td>
<td>Networks, CRD&amp;W</td>
<td></td>
<td>Ongoing</td>
</tr>
<tr>
<td>1.16 Publicise role models at senior levels by including pen portraits on intranet.</td>
<td>Role models' stories published on intranet</td>
<td>Champion, Network Coordinator, CRD&amp;W</td>
<td>Campaign planned to coincide with Black History Month in October 2010</td>
<td>31 December 2010</td>
</tr>
<tr>
<td>1.17 Consult with the Departmental Trade Union Side (DTUS) on all diversity related issues.</td>
<td>Regular formal and informal meetings scheduled</td>
<td>CRD&amp;W, DTUS</td>
<td></td>
<td>Bi-monthly meetings</td>
</tr>
<tr>
<td>1.18 Roles &amp; responsibilities for implementation of all elements of the RES are communicated to all relevant Business Units.</td>
<td>All BUs understand what needs to be done, by when &amp; actions are included in their own business plans.</td>
<td>CRD&amp;W</td>
<td></td>
<td>30 October 2010</td>
</tr>
</tbody>
</table>

### 2. Measuring and monitoring

<p>| 2.1 Carry out analysis of all employment-related data including staff survey and employment process monitoring data published under the Race Employment Duty to identify high priority areas for race. | Differences between racial groups identified &amp; information used to promote equality outcomes. | CRD&amp;W                     |                                                                                | September 2010           |
| 2.2 Collect/ analyse data to meet Employment Duty. Publish report             | Employment Duty monitoring requirements are met                                                              | PF, CRD&amp;W                 |                                                                                | October 2010             |
| 2.3 Ongoing initiatives to increase HMRC's ethnicity declaration rates to achieve 90% target by 31.3.13 by: sharing external best practice; strong lead from Race Champion; working closely with Diversity Leads. | Declaration rates increased to 90% by 2013                                                                   | CRD&amp;W, Champion Network Coordinator, Champion | Declaration rates have increased from 66.25% in 2008 to 75.37% at 31 July 2010. Champion issued a message on 17 June 2010. Ongoing campaign. | Champion's item to be published by 30th June 2010 Review at 31 March 2011 |
| 2.4 Improve data available to Business Diversity Leads to identify areas of low | Declaration rates increase for BUs targeted                                                                | CRD&amp;W                     | Business Units are provided with declaration rates on a monthly                | July 2010                |</p>
<table>
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<tr>
<td>declaration rates to target initiatives.</td>
<td></td>
<td></td>
<td>basis</td>
<td></td>
</tr>
<tr>
<td>2.5 Share best practice via Race For Opportunity (RFO) benchmarking.</td>
<td>Improved position in benchmark &amp; maintain close links with RFO</td>
<td>CRD&amp;W</td>
<td></td>
<td>Next benchmark starts September 2011</td>
</tr>
<tr>
<td>2.6 Work towards achieving the set targets for the % of BAME employees in the SCS and feeder grades by:</td>
<td>Targets met. 2010 interim target set at 4.5% for G6 and 5.5% for G7 Target for SCS set at 5.1% for 2011 with interim target for 2010 of 4.3%</td>
<td>PF, Champion, CRD&amp;W</td>
<td></td>
<td>4.3% in 2010 &amp; 5.1% in 2011</td>
</tr>
<tr>
<td>a. analysing candidate scores of each assessment centre exercise for graduate recruitment incl. individual competence scores to identify adverse impacts on BAME groups.</td>
<td>Any adverse impact identified and appropriate action taken. Take appropriate action before next recruitment, due in October 2010.</td>
<td>PF</td>
<td>On target</td>
<td>Outcomes from review July 2010. Action taken by 30 September 2010</td>
</tr>
<tr>
<td>b. updating and issuing Diversity Briefing Packs for all BUs every 6 months</td>
<td>Recommendations implemented and BAME representation improved</td>
<td>CRD&amp;W</td>
<td>Ongoing and on target</td>
<td>April and September each year</td>
</tr>
<tr>
<td>c. reviewing Diversity Briefing Packs and using information to add actions into local Diversity Plans to increase number of BAME staff at SO level where under-representation is identified.</td>
<td>Numbers of BAME staff increased</td>
<td>All BU Directors</td>
<td></td>
<td>Review March 2011</td>
</tr>
<tr>
<td>d. identifying and addressing the main barriers to BAME progression across the grades by developing questionnaires for HO and SO grades and act on results.</td>
<td>Barriers to progression for BAME groups are identified and the information used to inform policy</td>
<td>KAI</td>
<td></td>
<td>September 2010</td>
</tr>
<tr>
<td>2.7 Analyse staff survey results by business stream to inform local plans and EQIA work.</td>
<td>Actions on findings of survey included in published local diversity plans or EQIA work identified</td>
<td>All BU Directors, CRD&amp;W</td>
<td>On target</td>
<td>December 2010</td>
</tr>
<tr>
<td>2.8 Conduct research with Cranfield University into the experiences of senior workers</td>
<td>Report from Cranfield University issued</td>
<td>BAME Senior Managers, CRD&amp;W</td>
<td>Research completed and briefing for Champion arranged for mid-fi</td>
<td>31 Jul 2010</td>
</tr>
<tr>
<td>Task/Activity</td>
<td>How achievement will be demonstrated/measured</td>
<td>Lead Responsibility</td>
<td>Progress Update</td>
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<tr>
<td>BAME staff</td>
<td>Relevant and targeted actions included in central and local diversity plans</td>
<td>PF, CRD&amp;W All BUs</td>
<td>September</td>
<td>December 2010</td>
</tr>
<tr>
<td>2.9 Analyse appraisal and grievance document by payband and location to identify trends, issues and target specific actions</td>
<td>All employment ethnicity monitoring published</td>
<td>ICD, CRD&amp;W</td>
<td></td>
<td>Annually. Next due October 2010</td>
</tr>
<tr>
<td>2.10 Identify &amp; publish all sources of employment ethnicity data held</td>
<td>Published to deadline</td>
<td>CRD&amp;W</td>
<td></td>
<td>April 2011</td>
</tr>
<tr>
<td>2.11 Review, update &amp; publish annually action plan for the Race Equality Scheme</td>
<td>Published to deadline</td>
<td>CRD&amp;W</td>
<td></td>
<td>October 2010</td>
</tr>
<tr>
<td>2.12 Review, update and publish Race Employment Duty annually</td>
<td>Published to deadline</td>
<td>CRD&amp;W</td>
<td></td>
<td>October 2010</td>
</tr>
<tr>
<td><strong>Equality Impact Assessments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.13 Integrate test for relevance to equality and EQIA process into employment policy and project development processes to identify those with a race impact.</td>
<td>EQIA process is initiated where relevant in new policy development and change.</td>
<td>PF, CRD&amp;W</td>
<td></td>
<td>October 2010</td>
</tr>
<tr>
<td>2.14 All Business Units to integrate test for relevance to equality and EQIA process into business specific projects and change processes to identify those with a race impact.</td>
<td>A process is in place whereby relevant new/changed policies are identified and notified to CRD&amp;W for publication as part of EQIA plans</td>
<td>All BU Directors</td>
<td></td>
<td>See EQIA action plan timetable</td>
</tr>
<tr>
<td>2.15 Identify HMRC departmental approvals processes and project management processes and integrate test for relevance to equality and EQIA process to identify those with a race impact.</td>
<td>EQIA work is carried out on those new policies or changes that are relevant to race equality</td>
<td>CRD&amp;W/ICD</td>
<td></td>
<td>31 December 2010</td>
</tr>
<tr>
<td>2.16 Review and update online EQIA guidance</td>
<td>All unclear areas of guidance identified &amp; amended</td>
<td>CRD&amp;W</td>
<td></td>
<td>Ongoing</td>
</tr>
<tr>
<td>2.17 Set up a robust process for QA/QC of completed initial impact assessments</td>
<td>EQIA work is carried out across the department to a consistently high</td>
<td>CRD&amp;W</td>
<td></td>
<td>September 2010</td>
</tr>
<tr>
<td>Task/Activity</td>
<td>How achievement will be demonstrated/measured</td>
<td>Lead Responsibility</td>
<td>Progress Update</td>
<td>Review/ completion date</td>
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<tr>
<td>2.18 Produce checklist &amp; summary guidance on EQIA to assist with BU QA/QC processes</td>
<td>Checklist published and being actively used across the business</td>
<td>CRD&amp;W</td>
<td>September 2010</td>
<td></td>
</tr>
<tr>
<td>2.19 All Business Areas to implement EQIA plans</td>
<td>EQIA work being carried out. Regular updates and consultation documents published</td>
<td>All BU Directors</td>
<td>See EQIA action plan timetable</td>
<td></td>
</tr>
<tr>
<td>2.20 Ensure race implications are screened as part of Regulatory Impact Assessment process</td>
<td>Budget starters are screened for diversity impact</td>
<td>Policy divisions / CRD&amp;W</td>
<td>Ongoing</td>
<td></td>
</tr>
<tr>
<td>2.21 Publish the results of full EQIAs carried out on completion</td>
<td>Final assessments published on website with results of consultations</td>
<td>All BU Directors</td>
<td>See EQIA action plan timetable and consultations page on HMRC internet site</td>
<td></td>
</tr>
<tr>
<td>2.22 Incorporate outcomes of EQIA work into local diversity plans. Cross cutting issues to be included in RES Action Plan</td>
<td>Identified actions embedded in business plans and implemented. Cross-cutting actions put into RES action plan</td>
<td>All BU Directors, CRD&amp;W</td>
<td>Revised RES action plan due May 2011</td>
<td></td>
</tr>
<tr>
<td>2.23 Develop checklists &amp; guidance for central QA/QC Control team to assist BCU policy developers to identify diversity issues &amp; requirement for EQIA</td>
<td>Guidance available and team providing active support</td>
<td>CRD&amp;W, BCU</td>
<td>30 September 2010</td>
<td></td>
</tr>
<tr>
<td>2.24 Update HMRC EQIA plan to reflect progress.</td>
<td>BUs submit reports to CRD&amp;W 6 monthly. HMRC’s EQIA plan accurately reflects position on EQIA work</td>
<td>All BU Directors, CRD&amp;W</td>
<td>Update published August 2010, June 2010, October 2010, May 2011</td>
<td></td>
</tr>
<tr>
<td>2.25 Publish summary results of initial EQIA work including outcomes, why full EQIA not undertaken &amp; results of any informal consultation</td>
<td>Progress Report published on the HMRC website (six monthly updates)</td>
<td>CRD&amp;W</td>
<td>Published August 2010, June 2010, October 2010, May 2011</td>
<td></td>
</tr>
<tr>
<td>2.26 Develop EQIA training workshops and e-learning</td>
<td>Training developed and available on request to all staff</td>
<td>PF learning, CRD&amp;W</td>
<td>Achieved</td>
<td>End June 2010</td>
</tr>
<tr>
<td>2.27 Simplify the EQIA process to make it more time relevant</td>
<td>Process is easier to use and more acceptable and relevant to pace of change</td>
<td>CRD&amp;W</td>
<td>Commissioned by Head of CRD&amp;W</td>
<td>Jan 2011</td>
</tr>
</tbody>
</table>
## 3. Working with our customers

<table>
<thead>
<tr>
<th>Task/Activity</th>
<th>How achievement will be demonstrated/measured</th>
<th>Lead Responsibility</th>
<th>Progress Update</th>
<th>Review/ completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Develop a coordinated strategy for ethnicity monitoring in service delivery across HMRC.</td>
<td>Strategy in place with framework for BUs to follow when designing local initiatives</td>
<td>ICD, CRD&amp;W</td>
<td></td>
<td>Mar 2011</td>
</tr>
<tr>
<td>3.2 Carry out review of all sources of customer information held by HMRC to identify gaps in customer understanding on race.</td>
<td>Clear understanding of what information is held and where the gaps are in terms of HMRC functions and their impact on people of different racial groups</td>
<td>ICD</td>
<td>Some initial analysis carried out which highlighted need for specific project due to deliver by Nov 2011</td>
<td>April 2010</td>
</tr>
<tr>
<td>3.3 Commission further research on the impact of customer related functions on different racial groups.</td>
<td>Research bids approved and analysts appointed</td>
<td>ICD</td>
<td>Bid to be approved by 30 September, Work due to commence in January 2011</td>
<td>January 2011</td>
</tr>
<tr>
<td>3.4 Collect data by racial group in HMRC Customer Surveys, longitudinal Survey of Tax Credits, child benefit claimants and customer complaints. Analyse the results, feed actions into Business Area EQIA Plans.</td>
<td>Data is available and information assessment of risk for action and EQIA plans</td>
<td>ICD and relevant Business Unit Director</td>
<td></td>
<td>Review October 2010</td>
</tr>
<tr>
<td>3.5 Carry out research into customer priorities from a race perspective to feed into EQIA and action planning.</td>
<td>The gaps in customer understanding by racial group are filled</td>
<td>ICD in partnership with external analysts</td>
<td></td>
<td>April 2011</td>
</tr>
<tr>
<td>3.6 Outcomes of customer research fed into Business Unit EQIA plans and RES action plan as appropriate.</td>
<td>EQIA and diversity delivery plans focused on priority areas informed by evidence</td>
<td>ICD, Relevant BU Directors</td>
<td></td>
<td>April 2011</td>
</tr>
<tr>
<td>3.7 Review framework for requesting and approving customer research to include equality outcomes where possible</td>
<td>Research is more effective in helping us to understand the impacts of our work on people in different racial groups</td>
<td>CRD&amp;W/KAI</td>
<td></td>
<td>October 2010</td>
</tr>
<tr>
<td>3.8 Improve representation of different racial groups on customer stakeholder and consultation groups to help identify race</td>
<td>Group set up and actively assisting in identification and consultation activities</td>
<td>ICD</td>
<td></td>
<td>December 2010</td>
</tr>
</tbody>
</table>
### Task/Activity

<table>
<thead>
<tr>
<th>Task/Activity</th>
<th>How achievement will be demonstrated/measured</th>
<th>Lead Responsibility</th>
<th>Progress Update</th>
<th>Review/completion date</th>
</tr>
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<tbody>
<tr>
<td>priorities across each of HMRC’s functions and assist in carrying out EQIA work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.9 Review accessibility of diversity-related information on HMRC internet site</td>
<td>Customers can find &amp; understand our strategic direction, commitment &amp; achievements on diversity</td>
<td>Comms, CRD&amp;W</td>
<td>All internet publications are subject to departmental guidelines and accessible formats available as required</td>
<td>31 May 2010</td>
</tr>
<tr>
<td>3.10 Communicate and clarify the requirements of the Scheme and the duties to all relevant Business Units</td>
<td>Business Units understand their role in delivering on the duties and factor actions into their local diversity delivery plans.</td>
<td>ICD, CRD&amp;W</td>
<td></td>
<td>31 October 2010</td>
</tr>
<tr>
<td>3.11 Publish the results of customer ethnicity data held annually</td>
<td>All customer monitoring information published</td>
<td>ICD, relevant BUs</td>
<td></td>
<td>Anually. Next due October 2010</td>
</tr>
</tbody>
</table>

#### Good Relations

<table>
<thead>
<tr>
<th>Task/Activity</th>
<th>How achievement will be demonstrated/measured</th>
<th>Lead Responsibility</th>
<th>Progress Update</th>
<th>Review/completion date</th>
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<tbody>
<tr>
<td>3.12 Carry out a review of best practice on good relations and identify ways in which HMRC can further promote this part of the duties</td>
<td>Improved understanding of HMRCs role in promoting good relations and appropriate actions factored into action plans - local and national</td>
<td>CRD&amp;W</td>
<td></td>
<td>1 December 2010</td>
</tr>
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</table>

#### 4. Working with our suppliers

<table>
<thead>
<tr>
<th>Task/Activity</th>
<th>How achievement will be demonstrated/measured</th>
<th>Lead Responsibility</th>
<th>Progress Update</th>
<th>Review/completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Extend Corporate Assessment of Environmental, Social and Economic Responsibility (CAESER) project to all suppliers</td>
<td>Audit trail shows providers are vetted to ensure compliance with HMRC’s diversity policies &amp; legislation</td>
<td>CD</td>
<td>On target – communications with all suppliers commencing on 6th September</td>
<td>1 September 2010</td>
</tr>
<tr>
<td>4.2 Track the actions our suppliers are taking in response to recommendations from the CAESER assessment process.</td>
<td></td>
<td>CD</td>
<td></td>
<td>Ongoing</td>
</tr>
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</table>

#### 5. Eliminating discrimination

<table>
<thead>
<tr>
<th>Task/Activity</th>
<th>How achievement will be demonstrated/measured</th>
<th>Lead Responsibility</th>
<th>Progress Update</th>
<th>Review/completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Carry out actions specified in our harassment and discrimination action plan</td>
<td>All staff understand their responsibilities</td>
<td>CRD&amp;W, PF CaM All BUs</td>
<td></td>
<td>31 December 2010</td>
</tr>
<tr>
<td>Task/Activity</td>
<td>How achievement will be demonstrated/measured</td>
<td>Lead Responsibility</td>
<td>Progress Update</td>
<td>Review/ completion date</td>
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<tr>
<td>5.2 Review relevant materials to ensure messages in relation to expected behaviours and legal responsibilities are stated clearly</td>
<td>All staff understand their responsibilities</td>
<td>CRD&amp;W, PF CaM All BUs IG</td>
<td></td>
<td>31 December 2010</td>
</tr>
<tr>
<td>5.3 Develop a series of communications to be used at team meetings to stimulate discussion and improve understanding</td>
<td>All staff understand their responsibilities. Managers take responsibility for reinforcing messages.</td>
<td>CRD&amp;W CaM All BUs</td>
<td></td>
<td>31 December 2010</td>
</tr>
<tr>
<td>5.4 Ensure channels for reporting unacceptable behaviour and related support networks are publicised widely.</td>
<td>Staff understand how to raise concerns</td>
<td>CRD&amp;W IG</td>
<td></td>
<td>31 December 2010</td>
</tr>
</tbody>
</table>

**Acronyms Explained**

BAME - Black, Asian & Minority Ethnic  
BCU – Business Customer Unit  
BU - Business Unit  
CAM - Communication & Marketing  
CD - Commercial Directorate  
Champions - Board members who “champion” a diversity stream  
Comms – Communications  
CRD&W - Corporate Responsibility, Diversity & Wellbeing  
EQIA - Equality Impact Assessment  
ExCom - HMRC's Executive Committee  
ICD - Individuals Customer Directorate  
IG – Internal Governance  
KAI - Knowledge Analysis & Intelligence  
PF - People Function (Human Resources)  
QA/QC – Quality Assurance / Quality Control  
SCS - Senior Civil Servants
Annex B  Taxes, duties and benefits administered by HMRC

We are responsible for administering:

- Income tax;
- Corporation tax;
- Value Added Tax;
- National Insurance Contributions;
- Excise duties on alcohol, tobacco, fuels and gambling duties;
- Customs duties;
- Environmental taxes-Climate Change Levy, Aggregates Levy and Landfill Tax

- Insurance Premium Tax;

- Capital Gains Tax;

- Petroleum Revenue Tax;

- Inheritance Tax;

- Stamp Duty on property transactions and shares;

- Tax Credits-Child Tax Credit and Working Tax Credit

- Child Benefit

- Child Trust Fund endowments

- Health in Pregnancy Grant.

Other responsibilities include:

- enforcing the National Minimum Wage;

- administering the collection of student loans on behalf of the Department for Business Innovation and Skills (BIS);

- supervising money service businesses, trust or company service providers, accountancy service providers and dealers in high value goods to ensure that they comply with the Money Laundering Regulations.
HMRC’S DIVERSITY & INCLUSION STRATEGY FOR THE WORKPLACE

HIGH LEVEL SUMMARY

What is our Strategy?
This Strategy, and the Diversity Delivery Plan which supports it, sets out HMRC’s diversity and equality aims for the next three years. It shows how we are responding to the Civil Service Diversity Strategy Promoting Equality, Valuing Diversity, which was published in July 2008, and the requirements of the new Single Equality Bill 2010 – Framework for a Fairer Future, which for the first time includes age, sexual orientation and religion and belief.
It reflects our drive to mainstream equality and inclusion into every aspect of our work. It also recognises that our people have different skills; different ways of thinking and working; different knowledge and experience and the need for us to harness these differences for the benefit of our business and our customers.

Who is it for?
This strategy is for all HMRC staff.
For it to succeed, we need to make diversity and inclusion an entirely natural part of everything we do. This will require commitment and action from everyone in HMRC. We have therefore set out what leaders, managers and staff across HMRC need to do to turn our aims into reality.

Why do we need it?
An effective approach to diversity and inclusion is key to helping us achieve our business targets and financial goals. It helps us to capture and retain the very best talent and it allows us the opportunity to maximise the performance of all our people and to respond more effectively to the needs of our diverse customer base.

- We need to recruit, retain and motivate a talented workforce. By 2011, only 18 per cent of the UK workforce will be white, male, not disabled, under 35 and heterosexual. We need to be ready to respond to these changes so that we can draw on talent from all sections of the population.

- We need to present the right image and deliver services to a diverse and increasingly discerning general population. Our customer base is large and diverse. One of the key departmental commitments in HMRC’s Vision ‘Our Purpose, Our Vision, Our Way’, is that we will understand our customer and their needs. Increased diversity brings understanding, empathy and innovation and puts us in closer touch with the individuals and communities we serve.

- We must comply with an expanding range of anti-discrimination laws and avoid the escalating costs of litigation. Between April 2006 and October 2007 there were 62 diversity-related tribunal cases within HMRC. In over half, the Department either lost the case or agreed a settlement. Fighting a discrimination case at an employment tribunal is a no-win situation. Even those cases that don’t go to tribunal can do immense damage to an organisation’s reputation, as the recent race discrimination case against Scotland Yard has shown.

What are we aiming to achieve?
We want HMRC to be an organisation that:
• encourages talented people from all parts of the community to join us and achieve their potential;
• values and supports a diverse workforce through our commitment to fair and inclusive recruitment and employment practices;
• has an inclusive culture where everyone within the organisation treats their colleagues and the public with dignity and respect;
• has HR policies, processes and practices which are open and transparent;
• has zero tolerance of bullying and harassment and deals with any instances effectively, fairly and swiftly;
• Understands the needs of its different customers and provides a service of the highest standard.

We will know we have succeeded in our aims when:
• staff from all backgrounds feel respected, supported and valued and there is a significant reduction in the number of diversity-related grievances and employment tribunal appeals;
• staff surveys show continuous improvement in the levels of engagement and satisfaction amongst staff from under-represented and minority groups;
• all managers understand their responsibilities and include a diversity performance indicator in their performance development evaluation (PDE);
• recruitment of black and minority ethnic staff is at the same percentage as in the working age population, locally and nationally;
• staff from all backgrounds, and men and women, are promoted at equal rates;
• we achieve a diversity declaration rate for ethnicity and disability of at least 90% and declaration rates for sexual orientation and religion or belief of 80%;
• our customers feel that the Department understands and is responsive to their needs and are more comfortable in approaching us and using our services as a result;
• We receive positive feedback from the Equality & Human Rights Commission and the Northern Ireland Equality Commission on the progress we have made.

What are the key themes?
The themes of our Strategy reflect the four strands of the Civil Service strategy.

• Behaviour and cultural change – changing behaviour to create an inclusive culture, where everyone within HMRC feels valued and treated with dignity and respect.

• Leadership accountability – strong leadership and clear accountability for delivering diversity. Leaders and managers at all levels must understand and act upon their diversity responsibilities.

• Talent management – to enable everyone to realise their potential, and accelerate the rate at which we bring in and bring on people from different backgrounds.

• Representation – a diverse workforce at all levels, with progress measured against the targets we have set for 2011 for the representation of women (35%), minority ethnic staff (5.1%) and disabled people (8.6%) in the SCS.

Diversity Delivery Plan
We have developed a Diversity Delivery Plan, which sets out for each of these themes the action, which is underway or planned, over the next three years to achieve our diversity goals.

Monitoring progress
The Civil Service Diversity Delivery Board (chaired by Bill Jeffrey) will carry out
an initial assessment of departmental Diversity Delivery Plans and will monitor departmental performance against these. The Corporate Responsibility & Diversity Team will oversee implementation of HMRC’s Diversity Delivery Plan and report on progress half-yearly to the HMRC People Committee.
What is our strategy?

Our strategy is to:

- **improve BAME representation at senior grades** - ensuring that our workforce reflects the diversity of the UK at all levels;
- **ensure BAME staff have development opportunities to help them achieve their potential** – identifying and removing barriers to progression;
- **create an organisation that understands and is comfortable with cultural diversity and appreciates the business benefits of a more diverse organisation** – by raising awareness and understanding of the business benefits of diversity and giving managers the confidence to deal with race diversity issues; and
- **Improve communication to enhance HMRC’s reputation and staff engagement** – by promoting good practice in the management and development of BAME staff.

These actions support Strategic Objective 5 in HMRC’s Business Plan: *to create a working environment which motivates and develops our people to give of their best and take pride in working for HMRC in order to contribute to the transformation of our business.*

What will success look like for our BAME staff?

We will know we have succeeded in delivering our strategy when:

- managers are culturally aware and understand the business benefits that come from a diverse organisation;
- we achieve the targets we have set for the representation of BAME staff at senior grades (*Annex A: Key measures*);
- we achieve an ethnicity declaration rate of 90% by 2013 (*Annex A*);
- staff surveys show continuous improvement in the levels of engagement and satisfaction amongst BAME staff (*engagement scores from the latest staff survey are at Annex B*);
- BAME staff feel supported and valued and there are few race-related grievances and employment tribunal appeals. Where grievances arise and are upheld, we learn from our mistakes;
- we are able to draw upon the experience and knowledge of BAME staff to improve service delivery to our BAME customers;
- membership of our Race Staff Network continues to grow and the network plays an active and positive role in supporting and developing BAME staff;
- We receive positive feedback from Race for Opportunity and other external organisations for our proactive approach to race diversity.

The environment in which our strategy operates

The social context

More than 10% of the current UK workforce and over 20% of the emerging workforce, (children in primary and secondary education), are from an ethnic minority background. Britain’s talent pool is racially diverse and becoming more so. However, BAME people remain under-represented at senior levels across all sectors; the overall proportion of ethnic minority male and female directors in the FTSE 100 is currently 4.7%.

46% of England’s ethnic minority people live in London, which also has the most ethnically diverse student population in the UK, with 40% of students from a BAME background. People from ethnic minority groups comprised 24% of employees in London but 44% of the unemployed.

Debate continues on whether Birmingham or Leicester will be the first city in Britain to have a majority non-white population; commonly referred to as a ‘plural city’. Immigration, population movements and the high percentage of non-white pupils in schools could lead to the change in both cities within 15 years. Leicester has seen the proportion of its white population fall from 70.1% in 1991 to 59.5% today. By 2016, white people will make up 52.2% of the population, falling to 44.5% by 2026. In Birmingham, 41.2% of schoolchildren are from ethnic minorities and the proportion of white people in its population is expected to fall from 77% to 47.7% over the same period. Slough, Luton and a number of other cities are expected to follow this trend within the next 30 years.

Our legal responsibilities

Our legal duties towards BAME people fall under the Race Relations Act, 1976, which makes it unlawful to discriminate against someone because of their colour, race, nationality, or ethnic or national origins, either directly, indirectly, intentionally or unintentionally. The Race Relations (Amendment) Act, 2000 placed an additional duty upon HMRC as a public authority, to promote equal opportunities and good relations between people of different racial groups and publish a Race Equality Scheme describing how we intend to fulfil our duties under this Act.
Workplace Race Delivery Plan

HMRC’s Workplace Race Delivery Plan sets out the actions, underway or planned, over the next three years, to achieve our Workplace Strategy for BAME Staff.

Monitoring progress

The Corporate Responsibility, Diversity and Wellbeing Team, working with the Race Champion, Dave Hartnett, will oversee implementation of the Workplace Race Delivery Plan and report progress through the People Matters Committee.
Annex F - Grant in Aid Funding

Organizations supported during the two year period 2008-09 to 2009-10 include:

**African Women’s Enterprise Group**
Awareness and take up campaign across a wide range of HMRC products. Delivered through workshops, outreach and drop-in service for members and several other women’s organisations in North London. Reaching African women likely to be low income or lone parents, often with poor English literacy, using multi language resources.

**CAB East Sussex**
A project focusing on Tax Credit information, providing advice services, raising awareness, support and training. Aimed at BME and migrant communities, low income, isolated rural areas with poor access to information and new parents in East Sussex.

**Council of Ethnic Minority Voluntary Sector Organizations (CEMVO)**
A nationwide project aimed at BME groups using press, radio and community events to raise awareness across HMRC products. Training staff to deliver on-line filing for customers, customer support about HMRC products to hard to reach groups, improving the customer experience and increasing the number of customers able to get the right entitlements and pay the right amount of tax.

**CEMVO Scotland**
A project to build capacity of the Black and Minority Ethnic (BME) Voluntary and Community Sector and its communities in Scotland, and to raise awareness of HMRC products, leading to an increased uptake of tax credits and Child Trust Fund.

**Child Poverty Action Group**
A specialist tax credit advice, information and support service to the VCS delivering customer support for hard to reach groups resulting in an increased take up of tax credits, Child Benefit and other HMRC products. Key Customer Groups are BMEs, Migrant workers, Low income and one parent families, Disabled and Other vulnerable groups (rural).

**Citizens Advice England and Wales**
A project which will, through specific outreach and customer support, increase the effective take-up of tax credits, Child Trust Fund and other HMRC products by hard-to-reach and low take-up customer groups, particularly: migrant workers, BME communities inc. gypsy and traveler families and low income families.

**City and Hackney Carers Centre**
A project providing advice, advocacy and support to a multi-cultural group of parent carers primarily from black and minority ethnic backgrounds on tax credits, child benefit and child trust fund in a London Borough. The project offers one to one advice and information sessions, outreach group sessions and promotion and training to a wider audience than those individuals registered with them.
Confederation of Bangladeshi Organizations
A holistic package of Information-Prevention-Practical advice and guidance on HMRC products, providing clients from deprived and hard to reach communities in Sandwell with the support they need to resolve difficulties of entitlements and tax issues.

East London Financial Inclusion Unit
A programme of training aimed specifically at hard to reach groups and recent arrivals living in East London to increase their knowledge of HMRC products and how to go about accessing them.

East Thames Group
Supporting welfare benefits awareness, access and advice programme to benefit customers of East Thames group and people in their local communities in East London and Essex. Delivered through monthly income maximisation surgeries, tax credits awareness programme, intensive one to one support and advocacy, and capacity building training programmes to third sector organisations

I-Serve
A project to target the Somali community in four London Boroughs with messages and information about HMRC products such as tax credits and Child Trust Fund. Delivered through their Community Outreach and Information Programme and by Somali specific communication events and road shows.

Migrants Resource Centre 'Better Off'
'Better Off' project comprises workshops, weekly outreach advice sessions in the most deprived inner city areas in London and awareness raising through community media with a special focus on Black and Minority Ethnic groups and New European Union member states migrant workers. Aimed at improving the access, understanding and take up of a wide range of HMRC products

Salon Strategies
A project for the hard to reach group of BME small businesses and self-employed operating formally and informally within the Ethnic Hair and Beauty Sector, those who have low awareness of HMRC and its products. Providing one to one client counseling and support by qualified trained bi-lingual staff.

Sandwell Asian Family Support Service
A project to provide a Liaison and Outreach service for South Asian families who have a child or young person with a disability. Supporting families to access and support about HMRC products resulting in an improved customer experience and an increased number of customers getting the right entitlements and paying the right amount of tax.

Sangam Association of Asian Women
A project to raises awareness of HMRC products and services to improve take up of Tax Credits and Child Benefit by BME groups and to gain a better understanding of their needs.

Wai Yin Chinese Women’s Society
Delivery of customer awareness and support about all the HMRC products to the Chinese Community and BME groups who are hard to reach because of the language barrier and dispersed nature across Greater Manchester, improving their experience of the HMRC products. Running a range of workshops to promote and develop awareness of HMRC products and development of outreach services for house bound clients.
YouthNet
Information, advice and guidance targeting all young people aged 16-24 years old across the BME, migrant workers, low income and one parent families, disabled and other vulnerable groups on HMRC products - tax credits, Child Benefit, PAYE/Self Assessment and the National Minimum Wage through a variety of innovative products and media.

Afro-British Support Services
First year of a two year project delivering one-to-one support to their target group – refugees and new communities facing multiple barriers to access HMRC resources; including lone parents, disabled and families. They will provide multi-lingual outreach surgeries in premises of community organizations and Children’s Centres where clients are most concentrated.

Corby Borough of Welfare Rights and CAB
First of a two year funded project providing advice to Corby Borough residents on income maximization and benefit take-up including sessions on Tax Credits, debt advice and one to one financial capability and understanding. Based in Corby’s 4 Children’s Centres, the project will target lone parents, low income families and new migrant families arriving in the area.

Hibbert Community Regeneration Centre
Year one of a two year project to deliver Basic Tax Credit workshops, surgeries and training courses to members of the local and BME communities and workers from community organizations, who work and live in Bolton.

Luton Rights
Final year of a two year project that will target Black and Minority Ethnic communities and Migrant Workers in Luton through a community outreach programme to improve the awareness and take up of HMRC products. It will include providing one to one advice and support to individuals and awareness raising training to a number of voluntary community groups.

Redbridge & Waltham Forest African Communities Forum Ltd
A project to promote comprehensive advice, information, advocacy and representation on Tax Credit’s and other HMRC products to local ethnic minorities, and other vulnerable groups newly arrived in North East London, from Africa and Eastern Europe. Offering community and office based outreach sessions, appointments and training workshops to aid pensioners, low income and one-parent families.

Southall Community Alliance
A project involving collaboration between Southall based Black Minority Ethnic and Refugee (BMER) community groups working with the local Indian, Somali Pakistani, Russian and Afghan communities. Involving training advisers from ethnic minority communities as ‘champions’ to assist and advise on HMRC products, concentrating on Tax Credits. Working with voluntary sector groups to arrange Tax Credit sessions for residents, who because of language or cultural barriers have not been able to access them. Promoting HMRC products through Westside Community Radio Station using common community languages.

Wirral Multicultural Organization
Year one of a two year project supporting vulnerable people from the BAME community where English is not their first language, to improve understanding and take-up of Child and Working Tax via one-to-one sessions.
Annex G - HMRC’s EQIA process

Identification of the relevant functions and policies

HMRC has established and is operating a process for identifying policies and functions that are relevant to the diversity strands, including race. This process involves:

- listing all of HMRC's main functions
- Consultation and involvement with appropriate organisations in relation to our initial plans for Equality Impact Assessment [EQIA] work and our major priorities for improving equality outcomes.

Our Business Units consider each of their functions, policies and processes for relevance to equality to determine the need for equality impact assessment in accordance with the following criteria:

- Does it affect a large number of people, staff or customers? Or a small number in a particular group in a significant way?
- Could people be affected differently, directly or indirectly because of their equality group?
- Is there concern that the policy, activity or proposal could or is causing discrimination?
- Is there any concern that the policy, activity or proposal is damaging race relations or not taking opportunities to improve equality outcomes for all groups?

If there is insufficient evidence to answer these questions or the answer to any of them is ‘yes’ then we will start the EQIA process.

Our guidance makes it clear that these decisions must always be justifiable, evidence based and auditable. We provide a range of other information to help in the decision making process. For example:

- definitions of each of the equality groups and examples of how these may be affected by policy or change;
- A wide range of information sources that can provide data or evidence on how the policy or activity is currently working, for example, stats, survey results, research data, demographical data, etc.
- consultation groups

Having reviewed the policy or activity against these criteria we can be confident in our decision to carry out EQIA work. We will also have an early understanding of which equality groups are likely to be impacted and how.

All policy, process and functions that are assessed as relevant to equality are listed on our EQIA Action Plan published on http://www.hmrc.gov.uk/consultations/eqia-actionplan10-11.pdf

Assessing the risk and prioritising relevant functions and policies

HMRC prioritises its EQIA work so that highest risks are addressed first using the following criteria:

- Does it impact on a large number of people - staff or customers?
- Does it impact on people with regard to economics, social need or human rights?
- Does it account for large expenditure?
• Is it of strategic importance?

• Does it have a significant impact on small groups of people (taking into account the seriousness or extent of the discrimination or harassment, for example, when transsexual people are affected)?

Where actual or potential impacts are clearly identified the policy holder will evaluate this and assign an appropriate risk level to each equality group based on the possible scale and risk of the impact(s). For some policies this may not be possible until the EQIA work begins or further data may need to be gathered before an informed assessment can be made.

Assessing the impact of new/proposed and changed policies

Our approach for new/proposed and changed policies is to embed EQIA into the policy development and decision making process. Policy developers and change managers will carry out the assessment for relevance to equality at the initial stages of the project or policy development. If there is likely to be relevance to equality the EQIA will be factored into the process.

For example, EQIA work is integral to the impact assessment and consultation process for all legislative policy. In taking forward new policy we vet proposed legislation for compatibility with the European Convention on Human Rights. In accordance with Home Office guidance, Ministers are advised by the Department's lawyers on the compatibility of proposed legislation to enable them to make a statement under Section 19, Human Rights Act 1998. We assess the impact proposed policies will have on specific groups or sectors in accordance with the Cabinet Office checklist for policy makers. This checklist requires policy makers to carry out a specific impact test in relation to race equality. This is conducted in accordance with HMRC’s equality impact assessment guidance and the EQIA is published for consultation as part of the overall impact assessment.

The Impact Assessment process

The Impact Assessment process is the same regardless of whether we are looking at new, changed or current policy activity. Our staff have access to full guidance on the EQIA process which is available on line and supported by local Diversity Advisors and the CRD&W Team.

EQIA involves 8 stages:

• identification of policy aims;
• consideration of available data and research;
• assessment of impacts – what effect will this policy/decision etc. have on people of different races;
• consideration of measures which might mitigate any adverse impact* and alternative policies which might better promote of equality of opportunity;
• consultation;
• decision;
• publication of the results of the impact assessment ;
• Arrangements for monitoring and reviewing the way the policy works.

If an impact assessment identifies a potential adverse impact on a particular racial group and there is no feasible, alternative policy, we will take steps (‘mitigating action’) to lessen where possible any adverse impact, consulting other groups to help resolve difficulties; will consider special monitoring and analysis to confirm the extent of the adverse impact and/or the success of any mitigating measures and take into account any information collected through the special monitoring arrangements in any future review of the policy.

For example - Our EQIA on online filing identified that some customers could not use personal computers on the grounds of religious belief. Alternative measures have been put in place to enable these customers to continue to file on paper.
**Initial EQIA**

We use an initial impact assessment tool to help policy holders and process owners to assess the impact for different equality groups. Informal consultation and analysis of the risks and benefits is carried out as part of this process.

The primary objective of the initial impact assessment is to identify and assess the extent of impact on different equality groups and the opportunity for promotion of equality. In many cases, this initial assessment process will enable policy holders or process owners to identify and put in place actions to remove any perceived or actual discrimination and further promote equality of opportunity. It may also highlight the need for further EQIA work to carry out research, consultation and analysis of data, in which case the process will be extended to full EQIA.

The results of all initial EQIA work are published, as part of our summary reports on HMRC progress, on this web page: [http://www.hmrc.gov.uk/consultations/eqia.htm](http://www.hmrc.gov.uk/consultations/eqia.htm)

**Full EQIA**

A full EQIA is a more in depth look at policy areas that may have a more significant impact on particular groups or on the wider public. It involves a 12 week formal consultation exercise whereby a summary consultative document detailing the EQIA work carried out and the proposals for action is published on our internet site. HMRC uses a standard template for publication of EQIA work, which confirms with Cabinet Office guidelines for government consultation. As part of the formal consultation process HMRC also takes opportunities to engage with particular customer or staff groups who may have an interest or are able to support us in this work.

At the end of the consultation period a summary of responses and action plan is published and sent out to all those involved in the process. Details of all full EQIA work carried out is also included in our summary of progress reports published on the above internet link.

**EQIA and action planning**

The actions to mitigate monitor or promote race equality which are identified through EQIA work are added to our Race Equality Scheme Action Plan, which details who is responsible for taking them forward and the deadlines for delivery.

*For example, we carried out an EQIA on our Talent management process, which is a development programme for grades 6 and 7 to help them to gain the competencies required for more senior grades. The EQIA highlighted an opportunity for the Department to encourage staff to declare their diversity information including ethnicity. The action to include this reminder as part of the talent management application process has been included in the RES action plan.*

Progress against our Race Action Plan is monitored centrally by our diversity team. An updated plan with details of progress made and monitoring undertaken is published annually along with our Race Equality Duty Monitoring report.

**Publication of impact assessments, consultations and monitoring**

We publish:

- consultation documents as part of every full EQIA undertaken, a summary of responses to EQIA consultations and the resulting action plan;

- EQIAs carried out as part of the Impact Assessment for Budget and Regulatory matters subject to budget confidentiality rules;
• A summary of initial equality impact assessment work carried out as part of our annual reporting. This will include an explanation of why a full EQIA was not considered necessary, the outcomes and improvements for race equality and the results of any informal consultation carried out;

• an action plan detailing all planned EQIA work;

• the results of employment monitoring annually, in accordance with the Employment Duty;

• Where monitoring is available by ethnic group the results of research and surveys carried out on customer groups (for example customer satisfaction surveys).

We also:

• Make available all EQIA consultation reports and documents on dedicated EQIA pages as part of the consultations pages on HMRC’s Internet Website at: http://www.hmrc.gov.uk/consultations/index.htm. This site allows visually impaired users who have the appropriate browsers to convert the information to audio or speech;

• Ensure that information is available on request in accessible formats in a timely fashion. The formats available will include Braille, disk, audio cassette and minority languages to meet the needs of those who are not fluent in English;

• use Press Releases, the Internet and direct communications to groups with a specific interest, where appropriate, to promote the availability of this material; and

• engage with our Staff Diversity Networks, representative bodies, stakeholder groups, and trade unions to disseminate relevant material