



**Ethnic Minority Employment Task Force Meeting
Monday 20 July 2009
1600 – 1700 hrs
Boothroyd Committee Room, Portcullis House, House of Commons**

Minutes

Attendance:

Rt Hon Jim Knight MP (Chair) (JK)	DWP
Rt Hon Ian Pearson MP (IP)	HMT
Michael Foster MP (MF)	GEO
Cheryl Mendes (for Meg Hillier) (CM)	HO
Nicola Durant (for Lord Young) (ND)	BIS
Matthew West (for Shahid Malik) (MW)	CLG
Ben Davidson (for Angela Smith) (BD)	CO
Iqbal Wahhab (IW)	EMAG
Wilf Sullivan (for Leslie Manasseh) (WS)	TUC
Mike Noakes (for Katja Hall) (KH)	CBI
Arun Batra (AB)	LDA
Liz Sayce (LS)	UK Commission for Employment & Skills
Tunde Banjoko (TB)	EMAG Procurement Project Group
Helen Barnes (HB)	Institute for Employment Studies (DWP Researchers)
Nii Djan (NI)	Institute for Employment Studies (DWP Researchers)
Alison Pritchard (AP)	GEO
Ed Green (EG)	OGC
Janet Hill (JH)	DWP LMID
Darren Woolfenden (DW)	DWP LMID
Martin Betts (MB)	DWP LMID
Anna Robinson (AR)	DWP LMID

Apologies received from:

Lord Young	BIS
Meg Hillier MP	HO
Shahid Malik MP	CLG
Angela Smith MP	CO
Leslie Manasseh	TUC
Katja Hall	CBI
Alan Christie	EHRC
Cllr. Mahroof Hussain	Local Government Association
James Caan	Ethnic Minority Business Task Force

Item 1: Welcome and introductions

JK welcomed members and said that apologies would be reflected in the minutes. He reminded members that the consensus view of the last Task Force was that it wanted fewer updates and meatier items on the agenda to discuss. This meeting's focus on procurement was an example of how the Task Force could operate in the future. JK went on to make reference to recent media articles on CV research. Although he didn't want to open a debate on the subject until the next meeting of the Task Force, when there would be a discussion on employers and discrimination, he did stress the importance of the research, its findings and its relevance to reducing the ethnic minority employment gap.

Item 2: Minutes of Last Meeting

The minutes of the last meeting were cleared. AB asked if the Secretariat had collated views on possible Task Force reorganisation and reprioritisation. JK asked for a paper to be presented to the next Task Force presenting some options and a work plan with key success measures.

AP 1. The Task Force Secretariat to provide a paper to the next meeting on possible options, and a work plan with key success measures.

Item 3: Report from Chair of Ethnic Minority Advisory Group (EMAG)

IW welcomed JK as the new Chair of the EMETF. He observed that JK was now the fifth minister leading the Task Force and that he was concerned that it could quite easily lose impetus. He stressed the importance of EMAG and the wide range of expertise that it provided to support the ethnic minority employment agenda. It was currently working on three projects, and the procurement project was the first to put forward its findings for EMETF to consider. IW suggested that it would be useful for Gordon Pell, previous Chair of the Business Commission, to be on the Task Force. JK thanked IW for his contribution and stated that he wanted the Task Force to be effective and make a difference. Task Force members agreed that Gordon Pell should be invited to join the group.

AP2. Secretariat to draft a letter from the Chair, asking Gordon Pell to join the Task Force.

Item 4: Presentation – Helen Barnes. Institute of Employment Studies The Procurement Pilots

HB gave a presentation outlining the findings of 3 Procurement Pilots in DWP, Department for Children Families and Schools (DCFS), and the Identity and Passport Service (IPS) to encourage better race equality outcomes through the procurement process (see **Annex A**).

JK asked whether the different results from each department were cultural. He also asked about whether there were explicit business benefits. HB said that departmental differences were in part cultural, in part due to the types of contract and in part due to

different levels of contract management skill and processes. She concurred that there was no explicit evidence of business benefit. AB said that lack of this evidence was potentially a real problem for taking this approach forward.

IW said that the real problem in taking it forward was the Office for Government Commerce (OGC) that adopted an overly cautious approach when it came to giving guidance about which contracts can include diversity requirements.

IP from HMT said that the heart of the issue is the risk of legal challenge. It was the view of OGC that decisions about diversity requirements in contracts can only be dealt with on a case by case basis rather than by issuing blanket instructions.

LS said that encouraging a proportionate approach tended to help create complexity with people not knowing where they stand. A uniform and simple approach was often the best and most effective.

Item 5: Presentation by Tunde Banjoko – EMAG Procurement Project Group

TB presented the recommendations of the EMAG procurement Project Group which was investigating how government can use public sector procurement more effectively to address equalities issues – particularly to narrow the ethnic minority employment gap. (see **Annex B**).

JK was interested in the references to the good practice example of Transport for London (TfL) and wondered if their approach was showing any bottom line benefits. HB said that many businesses felt that the inclusion of a diversity requirement improved the quality of their bid, and that it made sense given the nature of the London labour market. However, TB thought that it was too early to say if there had been any bottom line gains.

AP was very interested in the evidence of the research. GEO was seeking to minimise burdens and rationalise through the Equality Bill which seeks to: improve legal clarity and bring procurement and equality specialists together through the new public sector duty. AP is heading up a cross-Whitehall group to work out how the civil service is able to fulfil its public sector duty.

MN felt that small businesses wanted a commonality of expectation and that different requirements from different public sector bodies was an irritant.

After some further discussion JK asked the Task Force how it wished to respond to the questions raised by the two presentations.

Option One: Individual Departments to take forward the recommendations in the reports from the EMAG PPG and the Pilots as immediate actions (as DWP plan to do); or

Option Two: For this work to be aligned with ongoing cross-Government procurement work including proposals within the Equality Bill being taken forward by GEO in conjunction with OGC for likely implementation from 2011.

IP HMT couldn't agree to take forward all of the recommendations. Trying to get alignment in the approach taken by public bodies is really needed, but there was plenty of opportunity to feed into the development of the equality toolkit.

JK thought that there was merit in both options which weren't mutually exclusive. OGC is working with GEO and other government departments to agree a public sector approach to procurement. At the same time government departments – like DWP – are working up their own responses which may be faster and more ambitious in their coverage. He asked AP if she could work with OGC and DWP to agree a common approach that all Task Force departments could be asked to sign up to for agreement at the next Task Force, leaving scope for government departments to be more ambitious if they wish. AP was happy to do this. There were legal issues about how far OGC could recommend applying diversity clauses to all contracts – rather than those that are relevant. She recognised that we needed to push the boundaries but recognised the need to be legally cautious. The Task Force agreed to this approach.

AP 3. AP to work with OGC and DWP to agree a common approach that all Task Force departments could sign up to for agreement at the next Task Force - leaving scope for government departments to be more ambitious if they wish. This to be submitted for agreement at the next Task Force.

JK asked the Task Force to consider the next set of questions on how the Task Force wishes to contribute to the GEO specific public sector duties consultation.

*Option One: To endorse the findings from the research and add supportive views to the consultation into the specific duties consultation; or
Option Two: To feed in less formally.*

JK thought that it be inappropriate for a Ministerial Task Force to respond to Government and Task Force members agreed that a less formal input from EMAG would be the most productive.

AP 4. IW to submit an EMAG response to the GEO public sector duties consultation.

JK thanked members for their attendance. The meeting closed at 17.00 hours.

Summary of Action Points:

	Action Point	Responsibility	Status
1	<i>AP 1. The Task Force Secretariat to provide a paper to the next meeting on possible options, and a work plan with key success measures.</i>	Darren Woolfenden	
2	AP2. Secretariat to draft a letter from the Chair, asking Gordon Pell to join the Task Force.	Darren Woolfenden	Gordon Pell is actually to retire soon and is not talking on new responsibilities

			but in the process of handing in notice to those he has.
3	<i>AP 3. AP to work with OGC, and DWP to agree a common approach that all Task Force departments could sign up to for agreement at the next Task Force - leaving scope for government departments to be more ambitious if they wish. This to be submitted for agreement at the next Task Force.</i>	Alison Pritchard	
4	<i>AP 4. IW to submit an EMAG response to the GEO public sector duties consultation.</i>	Iqbal Wahhab	Completed 3.8.09



Equality Procurement Pilots

Presentation to EMETF
Thursday 16th July 2009



the institute for employment studies

Methodology and fieldwork

- Literature review & international lessons
- Stage 1 qualitative research:
 - scoping work: project managers and key informants
- Stage 2 qualitative research:
 - pilot department staff (DWP, DCSF, IPS) - 22
 - suppliers - 22
 - other stakeholders - 4



Current practice - DWP

- Equality requirement included in pre-tender documentation for New Deal contracts
- Awareness of pilot among DWP procurement staff and contract managers; more limited among suppliers
- Initial sift (and annual review) by intermediate supplier
- Formal responsibility passes to contract managers at point where contract awarded - in practice currently little active monitoring by contract managers



Current practice - DCSF

- Requirement introduced as part of OJEU competitive dialogue, at pre-specification stage, before ITT issued: applied to Prime Contractor for Children's Centres
- Contract managers unaware of the requirement and not actively monitoring
- Lack of awareness at supplier level (ie below level of Prime Contractor)
- But a strong culture of monitoring race equality among users and staff which predates pilot



Current practice - IPS

- In-house procurement team, no intermediate supplier
- Development and piloting of PQQ for suppliers with template to assess compliance
- Revision of questionnaire, and inclusion in contract terms and conditions
- Pilot not currently implemented at IPS - seeking legal advice



Key lessons - supplier perspectives

- Contract requirements were uncontroversial - expected when tendering for government funding
- For these types of suppliers, minimal time/cost burden in meeting new requirements
- Many welcomed changes and saw them as improving service delivery and tendering capacity
- Improved information and support at pre-tender stage - eg road shows - could help



Key lessons - departmental perspectives

- Lack of clarity about legislation a key barrier to wider implementation
- Positive impact at DWP - good response by suppliers, and high standard of information received
- Limited impact at DCSF - nature of contract and supply chain issues
- Contract managers face time and resource constraints and many lack equality and diversity expertise needed to support suppliers
- Departments saw a need for proportionate but effective sanctions to demonstrate seriousness about the requirement





... thank you

ies



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Ethnic Minority Employment Task Force 20th July 2009

Ethnic Minority Advisory Group
Procurement Project Group
Report



Buying Smarter report

- High level leadership;
- Clearly defined policy;
- Measurement and monitoring systems;
- Investment in building staff capacity; and
- Communication of the agenda.



Approach

- Equality for all;
- Literature review – USA and Northern Ireland;
- Best practice – DWP;
- Best practice – TfL.



Recommendations

- OGC guidance should be revised in line with any responsibilities of public bodies in the new Equality Bill and in light of the *Buying Social* report. Focus should shift to what can be done.
- By April 2010, Departments should define what “equality of opportunity” via procurement will mean for their customers (where relevant), supplier diversity and their internal recruitment – “equality via procurement” mission statement.
- Each department should develop its own action plan, based on above statement, which should be strongly and publicly endorsed by its Secretary of State and the Permanent Secretary by April 2010.



Recommendations

- Departments should nominate a Board member to be responsible for the action plan by April 2010.
- All departments to have a Code of Conduct/Supplier Principles, developed in partnership with providers, that should specify the inclusion of action plans to increase the representation of under-represented groups, by April 2010.
- The area of Ethnic Minority Employment should be recognised as a strand feeding into the wider social agenda considered under the Government's sustainability framework 'Sustainable Operations on the Government Estate (SOGE) and Sustainable Procurement', by October 2009.
- Departments' should appoint an Equality/Diversity specialist to work alongside Commercial staff in the contracting process, by January 2010.



Recommendations

- In the course of 2010, new guidance for commercial staff, to ensure procedures include:
 - Equality "roadshows" to which all successful bidders at Pre-Qualification Questionnaire (PQQ) stage for any service contracts are to be invited.
 - Equality assessment to be passed before quality and finance aspects of bids assessed.
 - Constructive engagement with bidders to help them pass the equality assessment and to develop appropriate action plans.
 - Action plans to be similar to those described for departments - stating objectives, current position, proposed actions and timetable, person/team responsible, resources required and Key Performance Indicators (KPIs).

