

**Ethnic Minority Employment Task Force Meeting  
16 October 2007, 14:30-16:00  
Portcullis House, Room S, House of Commons**

**Minutes**

**Attendees:**

<b>No</b>	<b>Members</b>	<b>Organisation</b>
1.	Caroline Flint MP	DWP (Chair)
2.	David Lammy MP	DIUS
3.	Angela Eagle MP	HMT
4.	Mike Porteous <b>for</b> Pat McFadden MP	BERR
5.	John Marsh <b>for</b> Gillian Merron MP	CO
6.	Trevor Phillips	EHRC
7.	Alan Christie	EHRC
8.	Katja Hall	CBI
9.	Lee Jasper	GLA
10.	Jeremy Anderson	KPMG / NEP
11.	Cay Stratton	NEP
12.	Douglas Freeman (presenting)	Virtcom Consulting
13.	Stephen Martin	DWP
14.	Nahid Majid	DWP
15.	Dan Monzani	DWP
16.	Liz Such	DWP Secretariat
17.	Viv Miller	DWP Secretariat

**Apologies received from:**

Tessa Jowell MP	GOE
Parmjit Dhanda MP	CLG
Iqbal Wahhab	EMAG
Cllr Mahroof Hussain of Rotherham	LGA
Leslie Manasseh	TUC

**Agenda item 1: Welcome and introductions**

1. Members welcomed, and members that had previously not attended the Taskforce introduced. Apologies were noted.
2. The importance of the presence of Ministers alongside senior stakeholder representatives was emphasised; in particular, the importance of Ministers from DIUS, CLG, BERR and HMT being able to attend the next meeting was stressed. Weight was put upon importance of the January meeting, and comments were invited on the meeting's paperwork from absent members.

## Agenda item 2: Presentations

3. A presentation by Jeremy Anderson, from the NEP Business Commission was given, on *60/76: The Business Commission on Race Equality in the Workplace* published on 11 October 2007.
4. The main points from the presentation included:
  - The size and persistence of the ethnic minority employment gap;
  - A two-pronged approach to addressing the gap: a national and a city-level approach;
  - The recommendations which looked largely at how to tackle discrimination and misconceptions in the labour market. The Commission believed their most important recommendation was a stronger role for procurement in delivering equality.
  - The Commission believed that clear leadership from Government was critical. They had been reluctantly persuaded by several stakeholders against recommending that Government seek reserve powers to introduce a private sector duty to promote equality. That made procurement all the more important – both in itself and to signal Government’s seriousness.
5. Comments and questions throughout and after the presentation included:
  - A reflection that the report was useful. It was observed that it had implications for the Equality Bill in particular. In addition to this, the business case for diversity, alongside procurement measures, had to be strongly established.
  - Disappointment was expressed that there would be no legislative requirement on business. This made procurement all the more important. Labour market analysis was needed to target the areas where there was greatest potential for increasing employment. It was noted that closing the gap is dependent on good economic conditions and that forecasting employment growth was vital to ensure the pledge to reduce the gap was feasible.
  - The report’s recommendations were again welcomed, but the issue of why the Commission had not pushed further by requesting reserve powers was called into question. The positive duty on business as a key part of the regulatory regime underpinning procurement measures in the USA was highlighted as an example.
  - It was noted that some businesses did not accept the business case for diversity; for Government there was a huge fiscal cost from the current employment gap in terms of benefits and lost output. The value of the proposed thematic reviews was therefore highlighted. Using the example of the construction industry, the usefulness of the reviews was expanded upon: in terms of their frequency, timing and consideration of factors such as locality and geography (the structure and nature of the construction industry is considerably different in the north and south of England, for example).
  - The frustration that only a little progress had been made over the last five years was reiterated. It was essential to tackle discrimination, and in principle there was keenness from some parties to implement their recommendations, including on procurement. However, OGC and HMT officials had raised legitimate questions about the legality of the procurement recommendations.

Advice from officials from different areas of government and the Business Commission needed to be reconciled to find a way forward on procurement.

- Again, the report was welcomed; and the importance that these recommendations originate from senior business leaders who had gone further in their recommendations than in previous exercises was reflected upon. The implications that this had on the Equality Bill were commented on. It was stressed that the EHRC had an advice role regarding procurement, but that several public and private sector organisations had quite legally gone further in their pursuit of equality and diversity through procurement.
  - In addition, it was commented that thematic reviews should not be seen as an alternative to formal investigations. Rather, it is an important early tool in a suite of available measures, with formal investigation the most powerful. Moreover, it was observed that the most important element of the thematic review was the action plan and implementation timetable which would need to be aggressively pursued to ensure proper follow-up. A business sector which failed to implement the agreed action plan could expect formal investigation to follow swiftly. Support was expressed for the idea that businesses should monitor ethnicity in employment as a matter of course. Such monitoring would promote transparency and accountability: essential characteristics for business buy-in.
  - Several members noted that in the absence of legislation on a private sector duty, political will and leadership must be the driving force behind the recommendations. Similarly, several members highlighted that implementation of the recommendations cannot rely on ‘good will’. Procurement was, therefore, critical and should be pursued as a priority.
  - It was noted that Small to Medium Enterprises were adequately protected by the final recommendations, but it was essential this was seen through to implementation, particularly in procurement. The importance of retaining a value of money alongside equality at the heart of procurement was also noted. There was some reflection on the possibility that legislation was not the right route at the moment as it risked disengaging the business community. The measured language around discrimination in this report was welcomed and it was commented that such language needed to be maintained so as not to accuse employers unfairly of racism.
  - It was noted that the Business Commissions work had revealed that ethnic minority employment was not on the corporate agendas of many. The importance of political will and leadership in the absence of legislation was reiterated as crucial.
  - It was agreed that measurement, targets and transparency were essential to establish if outcomes were being delivered by the business community. In addition, it was commented that political leadership should be matched by business leadership and that a compelling business case must be made by the business community itself.
6. In summary, it was stated that the Taskforce was grateful for the work of the Business Commission and would be keen to see their recommendations, including on procurement, implemented on policy grounds. It was essential, therefore, to

establish an agreed analysis of the legal risks from both inaction and from implementation. **Action Point 1: It was suggested that legal officials from HMT, DWP and other interested departments and the advisors to the NEP gather within the next few weeks to bottom out the legal issues regarding procurement. Conclusions would be circulated to members before the next meeting in January.**

7. The second presentation, on ‘Diversity Return on Investment,’ was given by Virtcom Consulting. The presentation covered:
  - The principles of Diversity infrastructure and process in business
  - How it could lead to a return on investment
8. In discussion the following points were raised:
  - The challenge of applying the framework to a UK context was highlighted. The UK civil service was used as an example to point to the profound lack of progress made on equality and diversity despite a thorough framework (including an office for diversity, a diversity council and employee networks).
  - It was noted that the United States had compelling legislation but despite this progress had still not been at the rate expected. The importance of establishing a robust business case and communicating it effectively and broadly was reinforced. It was suggested that the diversity infrastructure should be treated in the same way as finances: if targets were not being met then accountability had to be enforced in order to drive continuous progress.
  - Further, it was commented that an underperforming diversity team could indeed undermine progress. A way of remedying this would be to take the issue beyond HR leaders and to business units who would understand and apply business principles to the problem. The need for a business approach from the CEO down was reinforced; stressing that cultural change was necessary to direct behaviour. This, however, need not be organisationally distressing or time-consuming.
9. In summary, it was asserted that the presentations had been very useful and were important to the Taskforce’s business. Several actions were noted as presenting a way forward:
  - **Concluding on the legal issues regarding procurement (see Action Point 1);**
  - **Action Point 2: Officials should list the series of actions required to fulfil the other Business Commission recommendations and accord them with a timescale;**
  - **Action Point 3: Re-visit the target of reducing the ethnic minority employment gap to 12 percentage points by 2015 and establish, across government, how this could be achieved;**
  - **Action Point 4: Engage Ministers in the communication of the business case and the issue at hand as a way of providing political leadership.**

**Agenda item 3: Minutes form the last meeting**

10. Minutes were agreed.

**Agenda item 4: Between-meeting communication**

11. The potential for a newsletter before the next (January) meeting was raised, to update members on progress on some of the issues discussed and on matters related in Taskforce business.

**12. Action Point 5: DWP officials to arrange for a newsletter in six weeks.**

**Agenda item 4: ‘Closing the Gap’ citizen’s forum event feedback**

13. The ‘Closing the Gap’ event hosted by EOC/EMETF at the O2 Dome was noted as a great success. The event included ethnic minority women and employers. It served to effectively challenge misconceptions and prejudices relating to ethnic minority women as employees. The EMAG Chair was thanked for providing the venue for the event and it was suggested that there was great scope for others to use the format – or to utilise an articulate, engaged pool of young women – to pursue this agenda.

**Agenda item 5: Taskforce membership**

14. It was agreed that Michael Rake, Chair of the Employment and Skills Commission, will be invited to join the Taskforce.

**Action Point 6: Michael Rake to be invited to join the Taskforce for the next meeting.**

**Summary of Action Points:**

<b>AP no.</b>	<b>Action</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
<b>1</b>	Legal officials from stakeholder departments and the advisors to the NEP to bottom out the legal issues regarding procurement. Conclusions would be circulated to members before the next meeting in January	DWP and HMT	31 December	
<b>2</b>	Officials should list the series of actions required to fulfil the other Business Commission recommendations and accord them with a timescale	Taskforce Departments, as part of HMT chaired steering group	Spring 2008	
<b>3</b>	Re-visit the target of reducing the ethnic minority employment gap to 12 percentage points by 2015 and establish, across government, how this could be achieved	DWP, as part of HMT chaired steering group	Spring 2008	
<b>4</b>	Engage Ministers in the discourse of the business case and the issue at hand as a way of providing political leadership.	DWP, as part of HMT chaired steering group	Spring 2008	

<b>5</b>	DWP officials to arrange for a newsletter in six weeks	Secretariat	30 November	In process
<b>6</b>	Michael Rake to be invited to join the Taskforce for the next meeting.	Secretariat	30 November	In process