

## Chapter 4 Partnership Working

This chapter highlights the commitment and contribution of the stakeholder members of the EMETF. Whilst not directly responsible for the delivery of the Strategy Unit recommendations, close working between Government and these organisations is key to the success of the Task Force.

### The Confederation of British Industry

CBI members are committed to raising the employment levels of people from ethnic minority groups and share the goal of the EMETF that in ten years' time no one should be disadvantaged in their employment prospects because of their ethnicity. Both business and employees benefit when employees are recruited, trained, and promoted without reference to ethnicity. CBI's 2004 Employment Trends Survey showed that 68% of businesses that had identified a recruitment problem are taking proactive steps to create a more diverse workforce by actively encouraging applications from under-represented groups.

The joint CBI/TUC statement on ethnic minority under-employment in November 2004 recognises that the causes of low ethnic minority participation in employment are complex and wide-ranging. Educational attainment, transport links, changing demographic patterns, and health and housing continue to play an important role in the poor performance of some minority groups in the labour market. The CBI and TUC recommended that, in order to eliminate disadvantages faced by some minority groups, action must be taken raise skills levels and to ensure that all young people master the basics of literacy and numeracy. The high number of labour market agencies seeking to link employers to potential candidates can be bewildering for both employers and employees - partnership working must be improved. Support for employers must be expanded with particular emphasis on helping Small and Medium-sized enterprises (SMEs). Finally, the CBI and TUC recommended that employers widen their recruitment to avoid indirect discrimination by word-of-mouth recruitment.

CBI welcomed the NEP report published earlier this year that recognised that the causes of employment disadvantage are varied. Employers believe public procurement is a highly effective lever for increasing diversity and share the position of the NEP that there must be more systematic use of public purchasing power. The CBI and the CRE jointly chaired a stakeholder meeting in November 2005 to identify ways to achieve this goal, following on from a joint publication in 2003<sup>1</sup> *Public procurement and race equality: Briefing for suppliers*.

The CBI is taking a variety of actions to increase diversity in the workplace. A diversity statement *Making the case for diversity*, published in 2005, outlined the key principles to promoting equality of opportunity, is backed-up by a section of the CBI website which provides links to websites of organisations such as the CRE. The CBI Equality and Diversity Forum provides a platform where employers can discuss key equality issues and also hear from

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<sup>1</sup> [www.cbi.org.uk/pdf/crepp.pdf](http://www.cbi.org.uk/pdf/crepp.pdf)

speakers, including officials from the EMETF, the CRE, and the Equal Opportunities Commission (EOC).

The CBI contributed to the development of the Statutory Code of Practice on Racial Equality in Employment and was pleased that the summary guide provides a short and succinct introduction to the Code, helpful to employers. The CBI is a key stakeholder in the Equalities Review and Discrimination Law Review and has argued for genuine simplification and better regulation. Finally, CBI sits on the advisory board of the EOC's new General Formal Investigation on Ethnic Women's Employment.

## **The Trades Union Congress**

The TUC continues to support and participate in the work of the Task Force. They are fully committed to finding practical ways to improve the employment experiences and prospects of black and minority ethnic people. However, they recognise that solving complex and long-established problems requires action on a number of levels from a number of agencies and organisations.

The main focus of the TUC remains equal opportunities at work. They believe that there is much scope to spread best practice from both the public and the private sectors more widely. They are particularly pleased to see the significance attached by the government to the use of public procurement as a lever to bring about lasting improvements to race equality in the workplace.

Alongside working with the government, the TUC also works bilaterally with the CBI and CRE. We have reached a joint statement on ethnic minority under-employment with the CBI and are jointly committed to positive steps to address this problem. They have developed a programme of work with the CRE that includes:

- Engaging trade unions in the private sector in work with employers on how to use procurement to improve equality of opportunity
- Awareness raising of the revised CRE Code of Practice on Racial Equality in Employment
- Producing a race equality tool kit for use in collective bargaining
- Establishing ways of progressing the Cabinet Strategy Unit recommendations in relation to employment tribunals

The TUC worked with the NEP in producing the report, *Enterprising People, Enterprising places*. They see the emphasis on targeting resources on designated cities as a key mechanism for bringing about practical results speedily. We are pleased that the Task Force have endorsed and adopted the recommendations.

The TUC has also participated in the stakeholder group to help develop practical ways of supporting and progressing the work of the Task Force.

## **The Commission for Racial Equality**

The CRE is committed to working with government and key stakeholders to significantly reduce the employment gap between ethnic minority people and the rest of the population. We

have played a significant role in working with government through the EMETF to achieve the recommendations of the Strategy Unit report, Ethnic Minorities and the Labour Market.

We believe that achievement of equality, participation and interaction for ethnic minority people within the labour market will help to lead to a more fully integrated society.

To this end we work closely with business, trade unions and community organisations to achieve parity in employment for ethnic minority people.

The CRE has successfully delivered upon a number of initiatives that have directly contributed to the achievement of the Strategy Unit report recommendations.

The Strategy Unit report recommended that guidance be produced and disseminated in order for procurement officials to feel confident in using procurement to promote race equality. Since then the CRE has published two guides on the duty to promote race equality as it applies to procurement, one for local authorities and one for other public bodies. These guides were produced in consultation with the Home Office, ODPM, and OGC.

The CRE is keen to continue to offer meaningful leadership in the debate around the potential role of procurement in creating a more integrated society, where equality and diversity are valued.

In November 2005 we jointly delivered a seminar with the EMETF and the CBI on taking the procurement agenda forward to the next level, from policy to practice. This seminar was well received and we will continue to work with the Home Office, DWP and the EMETF to develop practical contract terms to help promote race equality.

In October 2005 the CRE formed an advisory group, including representatives from the Home Office, to advise on the production of a supplier diversity guide for business and the public sector. This guide will take the procurement process one step further by providing guidance to both business and the public sector in how to promote race equality across the supply chain. The guide will be launched in Spring 2006.

The Strategy Unit report recommendation 19 stated that "The CRE should update its Code of Practice in Employment". The Statutory Code of Practice on Racial Equality in Employment has been updated after consultation with key stakeholders and received Parliamentary Assent on 25<sup>th</sup> October 2005 and will become enacted on 6<sup>th</sup> April 2006.

The purpose of the code is to give employers, trade unions, recruitment agencies, professional organisations and individual workers practical guidance on how to meet their obligations under the RRA 1976. It provides employers with practical guidance on how to prevent unlawful racial discrimination, and achieve equality of opportunity in the field of employment.

A guide to the code has been produced in response to requests by organisations such as the TUC, CBI, FSB and CIPD. The guide explains the importance of the COP, but it is not a substitute for it.

The CRE is committed to working in partnership with the EMETF and key stakeholders to achieve equality in employment for ethnic minority people.

## The National Employment Panel

NEP is an employer-led organisation that advises Ministers on labour market policies and performance. From its inception, the Panel has made the employment of disadvantaged ethnic minorities a high priority across all of its work. During 2004-2005, the Panel undertook four major strands of work, each of which has contributed to meeting Task Force objectives:

- ***Enterprising People, Enterprising Places***<sup>2</sup>: in the 2004 Pre-Budget Report, the Chancellor asked the Panel, in collaboration with the Ethnic Minority Business Forum, to recommend measures for increasing ethnic minority employment and business growth. The Chancellor accepted the Panel's 10 key recommendations as part of the March 2005 budget; the full report was published in May. The EMETF has now assumed lead responsibility for overseeing the implementation of the report's recommendations as its main agenda for the next two years. The report contains a number of proposals to close the 15 percentage point employment gap between ethnic minorities and the overall rate. Some are practical, some are far-reaching. The recommendations are:

### **Recommendation 1**

The DWP and the DfES should ensure mainstream and discretionary resources are sufficiently targeted on the designated cities.

### **Recommendation 2**

Outreach support for employability skills development and job access should be focused on people who are not in work, not on benefit and may have been traditionally excluded from the labour market.

### **Recommendation 3**

An integrated, employer-led employment and skills framework should be established in each of the designated cities to increase the number and quality of jobs for ethnic minorities and disadvantaged residents.

### **Recommendation 4**

RDAs should assess the needs of ethnic minority businesses as part of their Regional Economic Strategies.

### **Recommendation 5**

New Centres of Vocational Excellence (CoVEs) for Entrepreneurship should be established in the designated cities.

### **Recommendation 6**

The SBS should work with banks and financial intermediaries to review the availability and accessibility of finance for ethnic minority firms in the designated cities.

### **Recommendation 7**

The public sector should become a role model of best practice in promoting race equality and diversity, and should fulfil its public duty through improved targets, measurement and evaluation, with departments reviewing their use of Race Equality Impact Assessments.

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<sup>2</sup> Report available at [www.nationalemploymentpanel.org.uk](http://www.nationalemploymentpanel.org.uk)

### **Recommendation 8**

The Government should promote the incorporation of race equality into public procurement within the current legal and policy framework.

### **Recommendation 9**

A Commission of business leaders should be charged with advising on increasing employment of ethnic minorities and faith groups in the private sector by 2010, including indicators by which the private sector can measure progress.

### **Recommendation 10**

The Government should ensure, at Cabinet Committee level, that ethnic and faith minorities participate and share equally in the country's continued economic success.

**The Fair Cities pilots:** the NEP's report "*Fair Cities, Employer-led Efforts That Produce results for Ethnic Minorities*" on this initiative was published in 2004 as detailed in the Year 1 Progress Report<sup>3</sup>. In April 2005, the NEP received funding to develop three *Fair Cities* pilots in Birmingham, Bradford and Brent. Each pilot is led by a local board of top business leaders and is structured around the concept of a deal between employers and the local employment and skills systems – a deal in which jobs are offered in return for qualified candidates. The business plans for each *Fair Cities* pilot were approved in July and programme operations began this autumn.

**Working Ventures UK (WVUK):** the project, supported by funding from the Home Office's Change-Up programme, aims to increase the capacity of community organisations to deliver demand-led initiatives. It is particularly concerned with increasing the performance of organisations that assist ethnic minorities to get, keep and progress in work. It is being sponsored by the Panel, the Black Training and Enterprise Group (BTEG) and Public Private Ventures.

**Minority Ethnic Group (MEG):** is a sub-committee of the NEP. It is composed of senior individuals from large companies, SMEs and the ethnic minority voluntary sector. In 2004-2005, the Group focused on two areas: public procurement and the Jobcentre Plus' Special Employment Advisors pilot.

- **Public Procurement:** This work is discussed in the procurement section of Chapter 5 of this report.
- **Specialist Employment Advisors<sup>4</sup>:** MEG has been working closely with Jobcentre Plus to provide technical support to the SEAs in working with employers and to assess the effectiveness of the approach in promoting race equality among employers. The Group will report its findings and recommendations to the Panel and Ministers in early 2006.

### **The Ethnic Minority Stakeholder Group**

The group provides the EMETF with an effective forum for consultation through its Chair who is its representative on the EMETF. The group is made up of a wide range of individuals and organisations offering a broad base of experience and skills.

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<sup>3</sup> Year 1 Report pages 48-49

<sup>4</sup> Ibid page 48

The group has undertaken thematic work, through a series of meetings and workshops, to look at key areas to help inform the EMETF:

- Actions that might improve employability – considering how to contribute to raising levels of educational attainment and skills for ethnic minority people;
- Actions to connect people with work – considering how to contribute to the proposed reform of existing employment programmes, ways of addressing specific barriers to work in deprived areas and promoting self-employment for ethnic minority people and;
- Actions to promote equal opportunities in the workplace – considering how to contribute to the provision of better advice and support to employers, and through more effective use of levers such as public procurement.

The Stakeholder group has provided valuable input to the procurement work the Minority Ethnic Group of the NEP has carried out and has been instrumental in identifying ways to bring about Olympic regeneration in forthcoming work for the EMETF.

Three Invest to Save Budget (ISB) ethnic minority employment pilots, funded by HM Treasury, that started in Autumn 2005 will also report progress to the group and benefit from its advice. This work is linked to DWP's commitment to work with the Voluntary and Community sectors (VCS) that are represented on EMETF through the Stakeholder Group.

The Stakeholder Group has recently gone through a period of review and learning; examining its current ways of working and outputs. In the future policy development submitted to the EMETF will first be considered by the Stakeholder Group.

## **Working with the ethnic minority Voluntary and Community Sector**

DWP's strategy for working with the voluntary and community sector to deliver DWP programmes is available on the EMETF website.<sup>5</sup>

Since 2002, a number of VCS organisations have been delivering successful Ethnic Minority Outreach using their knowledge of the communities they work with to interest and engage people who often do not know how best to go about looking for work.

The Ethnic Minority Employment Division (EMED) sponsors three voluntary and community sector -led projects (funded through Treasury's Invest to Save (ISB) budget). These three-year pilots started in autumn 2005, two in London and a project in South & West Yorkshire. Details of the pilots: 'Closing the Gap' (helping Asian people who are not in work into jobs and working with employers who do not employ local Muslims - in South and West Yorkshire), 'WorkOut' (helping prisoners on release in London into jobs) and 'Future Builders' (helping ethnic minority people who are not in work in five North and East London boroughs into jobs) can be found on the ISB website<sup>6</sup>. Each of the ISB project Directors is a member of the Stakeholder Group and will provide regular updates at Group meetings.

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<sup>5</sup> [www.emetaskforce.gov.uk](http://www.emetaskforce.gov.uk)

<sup>6</sup> [www.isb.gov.uk](http://www.isb.gov.uk)

