

Equality. Opportunity. Success.
Year 1 Progress Report



Autumn 2004

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Foreword

Jane Kennedy MP

Minister of State for Work and Task Force Chair



Over the past year, Britain has continued to develop as a vibrant, diverse society, in which ethnic minorities have excelled in every field. People from a wide range of ethnic backgrounds are achieving success in business, public service, sports and the arts. They are contributing to the social and economic growth of the nation.

Nonetheless, ethnic minorities continue to face discrimination that is preventing them from reaching their potential. Despite great improvements in race relations over the past 20 years, there is a long-term and potentially very damaging gap between the employment rates for ethnic minority people and the rest of the population.

This gap – which has persisted almost unchanged for two decades – indicates not simply that some ethnic minorities are being denied the opportunity to achieve and sustain employment, but that we are wasting a vital pool of talent. If we fail to tackle the barriers to employment that some ethnic minorities face, we will also fail to make the most of the potential represented by those ethnic minority people who are unable to find work.

We must recognise the far-reaching consequences of this employment gap. Where ethnic minorities have negative experiences at school, where they are living in areas of poverty and deprivation and where they are unable to secure the employment they need, there will also be damaged communities. If we do not respond to this challenge, we will see the negative effects both on community cohesion and on our economy.

This is why, in March 2003, the Prime Minister's Strategy Unit set out a plan of action for this Government to improve the labour market experience of ethnic minorities. For the past year, the Ethnic Minority Employment Task Force, which I chair, has been carrying out this plan of action and delivering the first ever cross-Whitehall strategy on ethnic minority employment.

I am tremendously proud of what has been achieved in the first year. This report sets out the progress we have made towards our long-term objective that no one should be disadvantaged in their employment prospects because of their ethnicity. It also demonstrates that we have led the way in partnership working at ministerial level. This has led to the commitment from all Task Force departments to set out formally the contribution they will make to the delivery of our ethnic minority Public Service Agreement target, and to the Government's wider target on community cohesion and race equality.

But we have done far more than this. The context in which we work is constantly changing. Already we have announced new legislation that outlaws discrimination on religious grounds. The proposed new Commission for Equality and Human Rights will continue to demand that government works consistently and coherently on equality issues, and the community cohesion and race equality strategy will join up government work on race equality, cohesion and identity. We have ensured that the recommendations of the Strategy Unit report are embedded into the developing ethnic minority strategies of each department, so that we are equipped to respond to new challenges.

We know that there are limitations to the scope of the Strategy Unit report. It broadened our understanding of the factors in the employment gap and provided a much-needed focus to the work being undertaken by various government departments. But we are aware that delivering a successful strategy to improve the position of ethnic minorities in the labour market cannot end with the implementation of the Strategy Unit's recommendations. Although we remain committed to these recommendations, we are seeking to ensure that we develop those areas that the Strategy Unit did not cover in full.

It is not only government that is committed to working towards equality of employment opportunity for people from all ethnic backgrounds. We recognise the importance of working in partnership with colleagues in the voluntary, community and private sectors. The Task Force also includes representatives from the CBI, TUC and CRE. They play an active role in developing the ethnic minority employment strategy. I wholeheartedly thank them for their advice and support.

This report is only the beginning of a three-year process. In our final report in 2006, we will assess the impact of our policies and, I hope, show how the experience of ethnic minority groups is changing. We are, therefore, working to develop robust ways of measuring our success.

I strongly welcome this report and the progress that it demonstrates. We will continue to work together – with our partners in both government and the private and voluntary sectors – towards our objective of equality of employment opportunity for everyone, regardless of ethnicity.

A handwritten signature in black ink that reads "Jane Kennedy". The signature is written in a cursive, flowing style.

Rt Hon Jane Kennedy MP
Minister of State for Work
Department for Work and Pensions

Executive summary

This is the first progress report of the Ethnic Minority Employment Task Force, which delivers the Government's cross-Whitehall ethnic minority employment strategy. It shows the evidence base for the strategy, sets out the achievements of the Task Force in its first year and demonstrates those areas in which the Task Force will seek to further develop policies to improve the employment position of ethnic minority people.

The Strategy Unit report

The Prime Minister commissioned the Strategy Unit to look into the factors that contribute to ethnic minority employment disadvantage, which has persisted almost unchanged for more than two decades. The report, which was published in 2003, recommended a range of policy measures across five government departments. These policy measures fall into three discrete areas and are designed specifically to tackle the three main barriers to employment faced by some ethnic minorities:

- **Building Employability**, tackling the lower levels of education and skills experienced by some ethnic minorities;
- **Connecting People to Work**, tackling the problems faced by ethnic minority groups that have the lowest levels of employment and live in the most disadvantaged areas; and
- **Equal Opportunities in the Workplace**, tackling employer discrimination.

The Ethnic Minority Employment Task Force

In order to ensure co-ordination in the delivery of this cross-cutting strategy, the Strategy Unit report recommended the creation of the Ethnic Minority Employment Task Force. In addition to comprising ministers from the departments tasked with taking forward the Strategy Unit recommendations, the Task Force includes representatives from the private sector, in order to make use of the expertise and experience of partners outside government.

Setting the context: The evidence base

The Strategy Unit report presented, for the first time, a comprehensive picture of the position of ethnic minorities in the UK labour market. The trends identified by the Strategy Unit, which underpinned the development of the cross-cutting strategy, remain current.

Employment, unemployment and inactivity

The employment rate for ethnic minorities is rising and the gap between the ethnic minority employment rate and the overall rate is narrowing, but ethnic minorities are twice as likely as the overall population to be unemployed. Around one-third of the ethnic minority working age population are

economically inactive (neither in work, nor seeking work), compared with just over one-fifth of the population overall.

Population growth and demography

The ethnic minority working age population – which comprises many discrete ethnic groups – has increased to 8.8 per cent of the working age population in Great Britain since spring 2001. The proportion of the working age population from ethnic minorities will increase over time. More than 70 per cent of all ethnic minorities live in five major urban areas.

Three key facts

- The employment gap is decreasing, but remains substantial. Ethnic minorities are twice as likely to be unemployed and one and a half times as likely to be economically inactive as the overall working age population.
- Economic activity varies considerably between ethnic minority groups and by gender.
- There is more to do to realise the potential of the increasing proportion of the working age population who are from an ethnic minority background.

Variance by ethnicity and gender

Employment rates for ethnic minorities vary between ethnic groups and by gender. The Indian and Black Caribbean ethnic groups have the highest employment rates and the Bangladeshi and Pakistani groups have the lowest. For most ethnic groups, the employment rate for women is well below that for men.

The effect of education

The employment rate gap for ethnic minority graduates is narrower than the employment gap overall. People from the Chinese and Indian groups are more likely to hold degrees than other ethnic groups.

Earnings and poverty

Overall, ethnic minorities earn on average less per week than the White population. Members of the ethnic minority community are more likely to live in poverty and of the 2.6 million children living in poverty, 22 per cent live in a household headed by an ethnic minority person.

Building employability

The Strategy Unit report found that some ethnic minority people do not have the levels of education and skills – or human capital – that are essential for employment success. The report then recommended actions to improve the human capital of ethnic minority people. These actions largely related to ways to improve the achievements of ethnic minority pupils in schools.

Three key facts

- Black Caribbean boys have by far the lowest attainment at GCSE level, with just 25.2 per cent attaining five GCSEs at grades A*–C.
- A higher proportion of ethnic minority pupils than white pupils enter higher education.
- Individuals with low levels of basic skills are up to five times more likely to be unemployed than the overall population. First generation Pakistani men are nearly twice as likely as similar white men to have no qualifications.

The Strategy Unit's recommendations on building employability have largely been implemented through the Department for Education and Skills's (DfES's) Aiming High strategy, which aims to improve the attainment of ethnic minority pupils. A number of measures are in place to improve the experience and attainment of pupils from ethnic minority backgrounds, including:

- the collection of attainment data, which provides information on the achievement of pupils from all ethnic groups and through which DfES measure progress in narrowing the attainment gap;
- targeted support for pupils from African and Caribbean backgrounds, who perform poorly at GCSE level compared with their peers. Thirty schools nationwide receive guidance from experts in African and Caribbean achievement issues, in order to help raise the attainment of pupils from these backgrounds;
- DfES has examined its funding arrangements – including the Ethnic Minority Achievement Grant – to ensure that funds are allocated fairly and appropriately, according to the needs of pupils; and
- the Ofsted inspection framework has been revised, to ensure that it focuses effectively on ethnic minority achievement issues.

Attainment data suggests that ethnic minorities perform less well than their white peers at university and that they tend to be clustered in a small range of subjects and institutions. DfES is working to improve ethnic minorities' participation in higher education, largely through the Aimhigher programme, one of the aims of which is to promote ethnic minority participation in a wider range of subjects and institutions.

Although the Strategy Unit report identified that low levels of skills are a barrier to employment – including basic skills such as fluency in English – it focused its recommendations largely on improving attainment at school. However, the Government is working to improve levels of skills, with recent key developments including the National Skills Strategy and the New Deal for Skills.

The Task Force will work with DfES to ensure that ethnic minorities have the levels of education and skills that are crucial for employment success. Particular areas for development include ensuring that the Aiming High strategy achieves demonstrable progress and that current and proposed Government skills policies and programmes fully address the needs of ethnic minorities.

Connecting people to work

As the Strategy Unit report demonstrated, a disproportionate level of ethnic minorities live in deprived areas, with associated housing, transport and employment problems. The report therefore set out actions to tackle these barriers to employment and to connect ethnic minority people with work. These actions were designed to increase the ability of employment and business services to respond flexibly to the needs of ethnic minority communities.

The recommendations of the Strategy Unit sat well with the Department for Work and Pensions (DWP) and Treasury thinking on how to improve the delivery of services to disadvantaged groups generally, including providing greater discretion and flexibility for local delivery bodies and improved targeting of resources in disadvantaged areas. The development of the welfare to work strategy to incorporate a greater degree of targeting and flexibility culminated in the report, *Building on New Deal: Local solutions meeting individual needs*.

Executive summary (continued)

Three key facts

- The New Deal for Young People was the first employment programme to actively promote equality of opportunity and outcome for ethnic minority young people. The New Deal programmes have so far helped more than 125,000 people from ethnic minorities into work.
- 70 per cent of ethnic minority people in Great Britain live in the areas of the West Midlands, West Yorkshire, Greater Manchester, East Midlands and London.
- 33 per cent of ethnic minorities of working age are economically inactive. The rate of economic inactivity for ethnic minorities has reduced by 1.4 percentage points.

DWP and Jobcentre Plus have developed measures to connect ethnic minorities with work, both in response to the Strategy Unit recommendations and as part of the strategy to meet the ethnic minority Public Service Agreement (PSA) target. These measures include:

- Ethnic Minority Outreach, which works through private and voluntary sector organisations with good reputations among ethnic minority communities. It seeks to engage with ethnic minority jobseekers to attract them to the mainstream labour market and to build links with Jobcentre Plus services. Lessons learnt from Outreach will be incorporated into the Jobcentre Plus strategy.
- Work with social housing providers, in line with Strategy Unit recommendation 12, to build partnerships between social housing providers and Jobcentre Plus. Advantages of this approach have included providing advice to tenants who would not normally use Jobcentre Plus services.
- Jobcentre Plus's target points structure, which is designed to boost activity in wards with high levels of unemployment and high ethnic minority populations, is perhaps the most significant advance in the strategy to connect people with work. Research findings are consistent with the idea that the additional points awarded in these wards are positively associated with job entry performance.

For Jobcentre Plus's target structure to contribute best to the strategy to narrow the ethnic minority employment gap, ethnic minorities need to achieve an equitable share of jobs in the target wards. Jobcentre Plus will therefore

seek to improve its contribution to the employment rates in the ethnic minority target wards.

However, to bring about a rise in the ethnic minority employment rate, Jobcentre Plus also needs to find ways to reach people who are inactive in the labour market, because a large proportion of the ethnic minority population who are not employed are inactive and not using Jobcentre Plus services. The Task Force will, therefore, oversee the development of ways to reach ethnic minorities who are inactive in the labour market. The Task Force will also examine ways to link up agencies that work to remove the multiple barriers to employment that some ethnic minority people face.

Equal opportunities in the workplace

People from ethnic minority communities continue to face employer discrimination. The Strategy Unit therefore recommended that both employers and employees be supported in tackling discrimination.

Developments overseen by the Task Force in this area over the past year include:

- revising the Commission for Racial Equality's (CRE's) Code of Practice in Employment, which provides updated and accessible advice to employers on the steps that should be taken to meet the requirements of the Race Relations Act;
- increasing the advice and support available to employers through the services of the Advisory, Conciliation and Arbitration Service (ACAS); and
- the Fair Cities initiative, which builds on international best practice in employer-led compacts aimed at improving employment prospects for disadvantaged groups, including ethnic minorities.

The Government is also looking to improve its understanding of employer discrimination issues, to ensure that policies are developed on a sound and accurate evidence base. For example, the Department of Trade and Industry (DTI) is currently leading on a survey of race-related employment tribunals.

Three key facts

- Public procurement is potentially a very powerful lever to tackle race inequality. Each year, government spends around £109 billion, including £42 billion spent by local authorities.
- Jobcentre Plus liaises with 450,000 employers nationally and handles more than 13,000 vacancies a day.
- Once contributory factors such as education, age and geography have been accounted for, there is a large earnings gap between ethnic minority men and their white peers.

The Strategy Unit identified procurement as a potentially powerful lever for promoting race equality. In response, the Task Force Chair wrote to all government departments requesting information on their use of procurement in this way.

In addition to providing guidance and support for employers, the Government is seeking to find other ways of ensuring compliance, including by extending the powers of the Employment Tribunals, and through the CRE's revised Code of Practice in Employment. This strengthening of guidance on compliance is one of the key developments that the Task Force will oversee in the coming year. Other developments include exploring issues of progression and pay, particularly within government, and encouraging business to take a leadership role.

Working in partnership

The Task Force leads the way in partnership working at a ministerial level. The contribution of stakeholders is an important part of the development of the ethnic minority employment strategy and it ensures that the Task Force is outward looking, and can respond effectively to the needs of ethnic minority communities.

The CBI, TUC and CRE have provided valuable input into the first year of the Task Force. Representatives from these key groups meet with Task Force Ministers on a regular basis, and are active and important participants in the development of the strategy.

The Ethnic Minority Employment Stakeholder Group comprises employers and representatives from a range of community groups, voluntary and private sector organisations and the education sector. The group comprises three working groups that focus their efforts on each of the three strands of the strategy. The Chair of the Stakeholder Group is a Task Force member.

The Scottish Executive is overseeing a range of projects and initiatives to ensure that ethnic minority people in Scotland are able to find and sustain work. Where appropriate, the Scottish Executive works with partners including the Scottish TUC and DWP, for example through the 'One Workplace. Equal Rights' project, which tackles racism and promotes equal opportunities in the workplace by offering guidance and support to trades unions, employers and employees.

Looking ahead

This year has seen the development of the first cross-Whitehall strategy to ensure that ethnic minorities are able to meet their employment potential. For the first time, all government departments with a part to play are working together to make a real difference to ethnic minority people in employment. This work will be a vital part of the forthcoming cross-government community cohesion and race equality strategy.

The findings of the Strategy Unit were fundamental to the development of the cross-cutting strategy – but the Task Force has recognised that even the full implementation of the Strategy Unit recommendations may not achieve the Government's vision of equality of employment opportunity for all. Therefore, the key undertaking for the Task Force over the coming year will be to ensure that the Government responds actively to the challenge set by those areas not covered in full by the Strategy Unit report.

Building employability

The recommendations of the Strategy Unit report focused almost exclusively on the schools agenda. Further work is needed to ensure that current and proposed skills policies and programmes fully address the needs of ethnic minority groups.

Connecting people to work

The Strategy Unit's recommendations aimed at connecting ethnic minorities with work tackled the implications of the concentration of ethnic minorities in deprived areas, and the problems associated with the inflexibility and inefficiency in the delivery of some programmes. However, further analysis has shown that some ethnic minorities are alienated from mainstream services and are outside the labour market. It is, therefore, important that the Government seeks to find further and better ways to reach people who do not use the service offered by Jobcentre Plus.

Executive summary (continued)

Equal opportunities in the workplace

The Task Force will be seeking to move beyond the valuable work that has already been done, ensuring that procurement is properly used to tackle employer discrimination – particularly by ensuring that guidance is strengthened into a practical framework for use by public bodies. The Government will also be examining ways to address the issue of progression and pay for ethnic minorities and will seek to work further in partnership with the CBI and the TUC to reinforce the business case for workforce diversity.

Driving through change

The Task Force is in a unique position to drive through change across government and to ensure that all departments make the most of the available policy levers to improve the employment position of ethnic minorities. More than this, it will ensure that departments mainstream race issues into their strategies and establish clear outputs that will have a demonstrable impact on ethnic minority communities. The Task Force will further ensure that departments develop robust ways of measuring their success.

But it is clear that the Task Force does not operate in isolation: in the future, the Task Force will need to take into account developments relevant to ethnic minority issues, such as the proposed creation of the single diversity body and the Government's community cohesion agenda.

Conclusion

The action that the Task Force has taken this year demonstrates the level of ministerial commitment to removing barriers to employment success for ethnic minorities. It also shows the role the Task Force has taken to facilitate effective working between departments, to deliver the Government's first coherent ethnic minority employment strategy.

Over the coming year, the Task Force will continue to respond to the challenges set by the Strategy Unit report and will continue to explore new ways to ensure that ethnic minority people are able to fulfil their employment potential.

Introduction

The Ethnic Minority Employment Task Force was set up in response to the Prime Minister's Strategy Unit report on ethnic minorities in the labour market. It delivers the first cross-Whitehall strategy on ethnic minority employment and, in its partnerships with the private and voluntary sectors and its cross-cutting work at ministerial level, is unique among government bodies.

The Strategy Unit report

In 2001, the Prime Minister commissioned the Strategy Unit to look into the reasons behind the persisting disadvantage faced by ethnic minorities in employment. He recognised that this inequality, if left unchallenged, would have potentially damaging implications – not least because ethnic minorities are set to account for more than 50 per cent of the growth in the working age population over the coming years. He therefore asked the Strategy Unit to identify ways for government to work together to deliver his aspiration that, by 2013, no one should be disadvantaged in their employment prospects because of their race.

The Strategy Unit published its report in March 2003. At the time of its publication, the employment rate for ethnic minorities was 58 per cent. This, compared with an employment rate for the overall population of 75 per cent, signalled a serious inequality – and it is one that has remained for more than two decades.

Prior to the publication of the Strategy Unit report, the Government had been acting to tackle this persisting inequality. DWP led on an ethnic minority employment strategy that was underpinned by a Public Service Agreement target to increase the employment rates of ethnic minorities and to reduce significantly the difference between their employment rates and the overall employment rate by 2006.

The publication of the Strategy Unit report strengthened and developed the existing strategy, broadening it to include policy levers outside the remit of DWP. It also deepened our understanding of the barriers to employment that some ethnic minority people face and identified three main factors that cause this employment gap:

Lack of human capital

The level of education and skills – or human capital – that an individual possesses is crucial to their employability. The Strategy Unit report found that some ethnic minorities possess lower levels of human capital than their white counterparts, which will harm their employment opportunities.

Living in deprived areas

A disproportionately high number of ethnic minority people live in deprived areas, which are associated with employment, housing and transport problems.

The ethnic penalty and employer discrimination

The Strategy Unit report found that, even when measurable factors such as levels of human capital and living in a deprived area are taken into account, ethnic minorities continue to suffer an employment disadvantage. This unquantifiable factor is termed the 'ethnic penalty' and employer discrimination is a part of this.

Having identified these three major barriers to employment, the Strategy Unit report made 28 recommendations for five government departments, designed to ensure that ethnic minorities are able to achieve their employment potential. These recommendations fall into three areas of activity directly related to the three factors in the employment gap:

- **building employability**, which seeks to raise ethnic minorities' levels of education and skills;
- **connecting people to work**, which looks at ways to help workless people back into the labour market and into a sustainable job; and
- **equal opportunities in the workplace**, which delivers policies to tackle employer discrimination.

Together, these areas of activity constitute the Government's first coherent strategy on ethnic minority employment.

This innovative strategy required an equally innovative delivery mechanism to ensure that departments work together and make the most of the expertise available in non-departmental bodies and the private sector. The Strategy Unit, therefore, recommended the creation of the Ethnic Minority Employment Task Force, incorporating Government ministers and representatives from key stakeholder groups. The table on page 10 sets out the full membership of the Task Force:

Introduction (continued)

The Ethnic Minority Employment Task Force		
Jane Kennedy MP (Chair)	Minister for Work	Department for Work and Pensions (DWP)
Yvette Cooper MP	Parliamentary Under Secretary for Equality and Diversity	Office of the Deputy Prime Minister (ODPM)
Nigel Griffiths MP	Parliamentary Under Secretary for Construction, Small Business and Enterprise	Department of Trade and Industry (DTI)
Fiona Mactaggart MP	Parliamentary Under Secretary for Race Equality	Home Office (HO)
Stephen Twigg MP	Parliamentary Under Secretary for Schools	Department for Education and Skills (DfES)
Neil Bentley	Head, Skills and Employment	Confederation of British Industry (CBI)
Leslie Manasseh	Deputy General Secretary, Connect	Trades Union Congress (TUC)
Trevor Phillips	Chair	Commission for Racial Equality (CRE)
Nicholas Holgate	Director, Welfare Reform	HM Treasury
Nahid Majid	Chair	Ethnic Minority Employment Stakeholder Group

The Task Force met for the first time in September 2003. In its first year, it has overseen the implementation of two-thirds of the Strategy Unit's recommendations. But it has also undertaken to ensure that the strategy develops beyond the mere requirements of the Strategy Unit and this report reflects that undertaking.

The Year 1 Progress Report

In this report, we examine the evidence that enables us to continue to develop the strategy; progress made against the Strategy Unit's recommendations; partnership working; and the way forward. The structure of the report is as follows:

Chapter 1: Setting the context: The evidence base

In the first chapter, we set the context of the ethnic minority employment strategy. The picture presented by the Strategy Unit remains largely unchanged. However, the Task Force is committed to refining and updating its understanding of the context in which it works.

Chapters 2, 3 and 4: Progress and priorities

Having set the context, we focus on the three themes of the strategy. For each theme, there is a chapter both

demonstrating progress and highlighting areas where departments need to do further work to successfully implement recommendations. However, the actions recommended by the Strategy Unit report do not sit in isolation – the Task Force has ensured that they are embedded within departments' overall ethnic minority strategies – and the thematic chapters reflect this.

Although the Task Force remains committed to the findings of the Strategy Unit report and to carrying out its recommendations, it is clear that the strategy needs to develop further if we are to achieve the Prime Minister's objective. Each of the three thematic chapters, therefore, identifies particular areas in which the Strategy Unit report was lacking and where the Task Force needs to consider the development of new policies.

Chapter 5: Working in partnership

With its membership drawn from the Government and the wider public and private sectors, the Task Force leads the way in partnership working. The fifth chapter of this report focuses on this and includes evaluation from stakeholders who work with the Government either on the Task Force itself, or on the Ethnic Minority Employment Stakeholder Group.

Chapter 6: Looking forward

Finally, we examine the extent to which the findings and recommendations of the Strategy Unit report will go towards meeting our objective to ensure that no one should be disadvantaged in their employment prospects because of their ethnicity.

In particular, we look at areas within the strategy that were not covered in full by the Strategy Unit recommendations and show that the Task Force will consider ways to strengthen government's capacity to tackle employment discrimination; to build on the skills agenda; and to find ways to reach people who are inactive in the labour market.

1. Setting the context: The evidence base

Summary

The Strategy Unit report presented the first comprehensive picture of the position of ethnic minorities in the UK labour market . . .

And since its publication, the Task Force has refined and developed its understanding of the factors that contribute to the ethnic minority employment disadvantage.

Employment rates are rising . . .

The ethnic minority employment rate is rising, and the employment gap is narrowing.

But ethnic minorities still suffer a labour market disadvantage . . .

People from ethnic minority backgrounds are twice as likely as the overall population to be unemployed.

The ethnic minority population is made up of several distinct ethnic groups . . .

And the ethnic minority population overall has risen by 1.4 percentage points since spring 2001.

Employment rates vary by ethnic minority group . . .

With the Indian and Black Caribbean groups having the highest employment rates, and the Bangladeshi and Pakistani groups having the lowest.

Employment rates also vary by gender . . .

For most ethnic groups, the employment rate for women is lower than that for men.

Levels of education affect rates of employment . . .

There is an employment rate gap at all levels of education but it is smaller at degree level.

A similar proportion of both the ethnic minority and the overall population is employed in the public sector . . .

Although ethnic minorities tend to be concentrated in the lower grades, and under-represented at senior civil service level.

Economic inactivity of ethnic minorities has reduced . . .

And evidence suggests that this reduction is mainly accounted for by a reduction in the proportion of ethnic minority women who are inactive.

There is an employment gap across all the regions where ethnic minorities are concentrated . . .

With more than 70 per cent of ethnic minorities living in the areas of the West Midlands, the East Midlands, London, Greater Manchester, and West Yorkshire.

Members of the ethnic minority community are more likely than the overall population to live in poverty . . .

And this is particularly the case for households headed by someone of Pakistani or Bangladeshi origin.

The Strategy Unit report presented, for the first time, a comprehensive picture of the position of ethnic minorities in the UK labour market, and the factors that contribute to the disadvantage that they continue to experience when seeking employment.

Since the publication of the report, the Task Force has continued to develop and refine its understanding of these factors. This analysis of data and research will ensure that the Task Force develops an ethnic minority employment strategy based on sound and accurate evidence.

In this chapter we demonstrate that the trends identified by the Strategy Unit in 2000, which influenced the creation of the first cross-Whitehall ethnic minority employment strategy, remain current.

Employment rates are rising, and the employment gap is narrowing . . .

Three years on from spring 2001, the employment rates for both ethnic minorities and the population overall are rising – but the employment rate for ethnic minorities is increasing faster than that for the population overall.

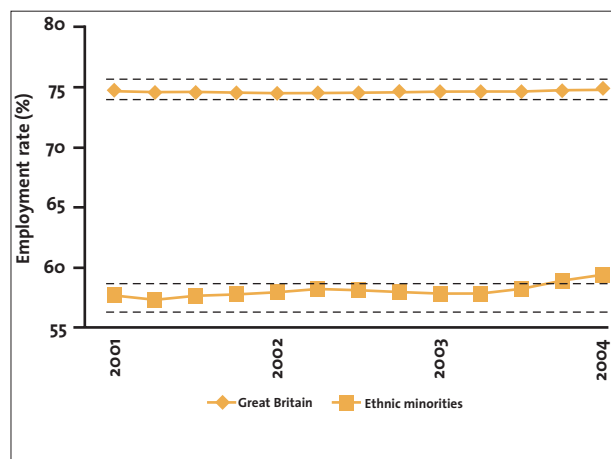
In spring 2001, the overall employment rate in Great Britain was 74.7 per cent, while the rate for ethnic minorities was far lower, at 57.7 per cent.

The latest data, from spring 2004, shows that the overall national employment rate has remained at a historically high level, while the ethnic minority employment rate has risen by 1.7 percentage points to 59.4 per cent.

In **Figure 1.1**, which shows the changes in the ethnic minority and the overall employment rates, the dotted lines signify the upper and lower bounds outside which a change can be termed statistically significant. Only changes which are statistically different to the spring 2001 data are discussed in this report: other differences may be due to chance variations caused by random sampling.¹

Figure 1.1 also demonstrates that, as at spring 2004, the gap between the ethnic minority employment rate and the overall rate – the baseline by which we measure the success of our strategy – has narrowed.

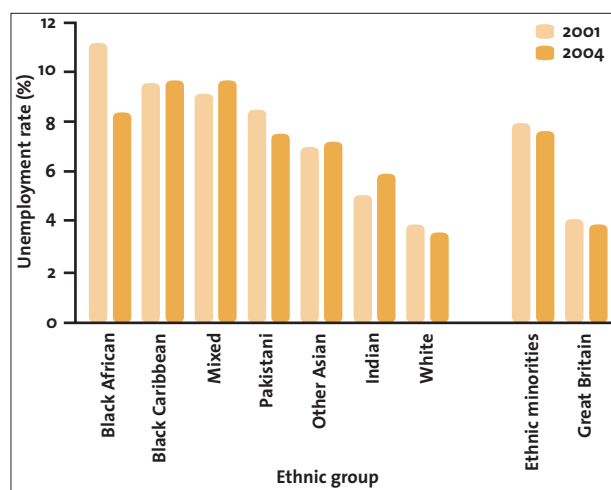
Figure 1.1: Employment rates of ethnic minorities and the overall GB population²



Compared with the overall population, ethnic minorities are twice as likely to be unemployed . . .

Figure 1.2 sets out the latest figures which show that 7.6 per cent of the ethnic minority working age population are unemployed,³ compared with 3.9 per cent of the overall population in Great Britain. This is a similar picture to that in spring 2001. The highest unemployment rates are for the Black Caribbean and mixed groups.

Figure 1.2: Unemployment rates by ethnic group⁴



1. We consider a change to have been statistically significant if we are 95 per cent confident that changes are a feature of the population, rather than only the survey sample.
2. All data for figures and tables are taken from *The Labour Force Survey* from spring 2001 to spring 2004, based on the working age population of Great Britain (those aged 16 to state retirement age) and averaged over the four quarters up until the reference quarter, unless otherwise stated. 'Year' refers to the spring quarter of that year.
3. In this report, we use the International Labour Organisation (ILO) definition of unemployment. The ILO counts as unemployed those of working age who are without work and who are actively seeking work.
4. Columns are omitted due to the small sample size, in line with Office for National Statistics guidance.

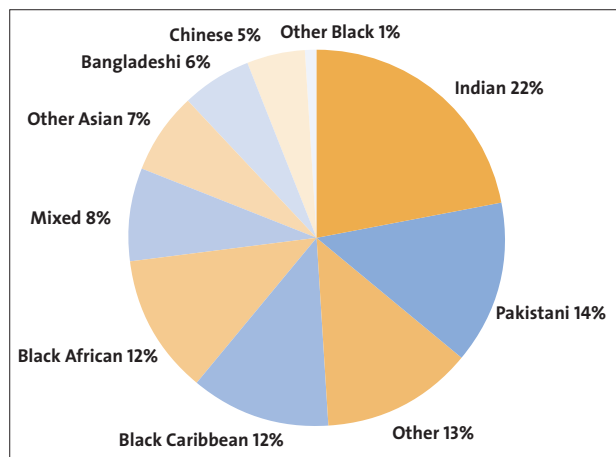
1. Setting the context: The evidence base (continued)

The ethnic minority population is continuing to increase, and is made up of several distinct groups . . .

There are currently 35.2 million working age people in Great Britain, of which 3.1 million are from ethnic minorities. This represents 8.8 per cent of the total, which has risen by 1.4 percentage points since spring 2001. This is the result of a decrease of 50,000 in the size of the white working age population, and an increase in the ethnic minority working age population of 545,000. It is expected that the proportion of the working age population from ethnic minorities will increase further over time.

Figure 1.3 shows the various ethnic groups that make up Great Britain's ethnic minority population. The composition of the ethnic minority population is changing over time: the 'other' ethnic group has increased by around 236,000, and the 'mixed' group has increased by around 58,000, since spring 2001.

Figure 1.3: The working age ethnic minority population by ethnic group

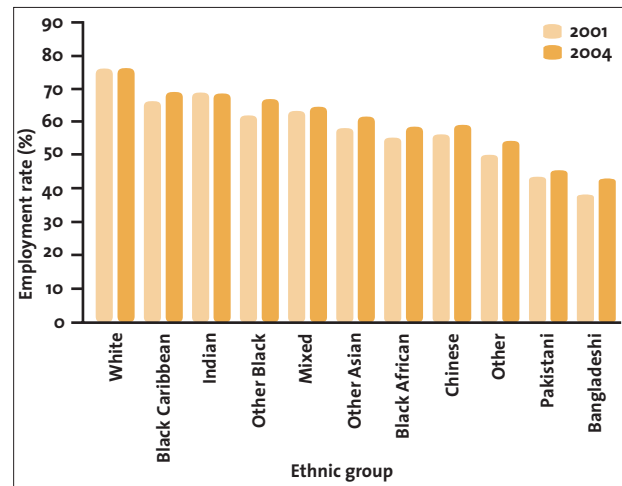


Employment rates continue to vary by ethnic group . . .

The overall picture of the employment rates for each ethnic group has changed little since the publication of the Strategy Unit report. All ethnic minority groups have lower employment rates than the white group – but there are considerable variations between different ethnic groups. For example, the Indian and Black Caribbean groups have the highest employment rates, while the Bangladeshi and Pakistani groups have the lowest.

Figure 1.4 demonstrates the changes in the employment rates for discrete ethnic groups between 2001 and 2004. Although small sample sizes mean that most of the changes shown are not sufficient for us to be confident they are representative, there have been significant increases in the employment rates for Black Caribbean and Black African groups. No group has seen a fall in employment rate.

Figure 1.4: Employment rates of ethnic groups



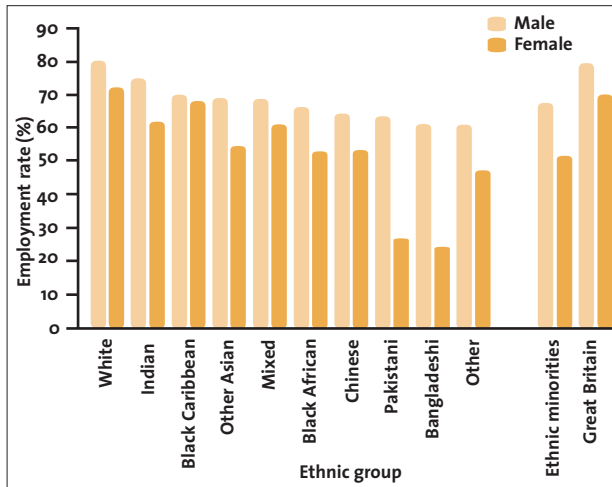
And they continue to vary by gender . . .

Figure 1.5 shows that, for most ethnic groups, the employment rate for women is well below that of the employment rate for men. Currently, 67.4 per cent of ethnic minority men are employed, compared with 51.6 per cent of ethnic minority women. This compares with 79.4 per cent of men in the overall population being employed, and 70.1 per cent of women.

The exception to this is the Black Caribbean group, which has similar employment rates for men and women. At the other end of the scale, however, Bangladeshis and Pakistanis are the groups with the lowest employment rates overall, and the largest employment rate differences between males and females, with differences of 36.9 per cent and 36.8 per cent respectively.

Overall, ethnic minority women have increased their employment rate by 2.2 percentage points – a major contributory factor to the improving position of ethnic minorities in the labour market. The employment rate for ethnic minority men overall remains similar to that of spring 2001 – although the employment rate of Black African men has increased by 5.2 percentage points.

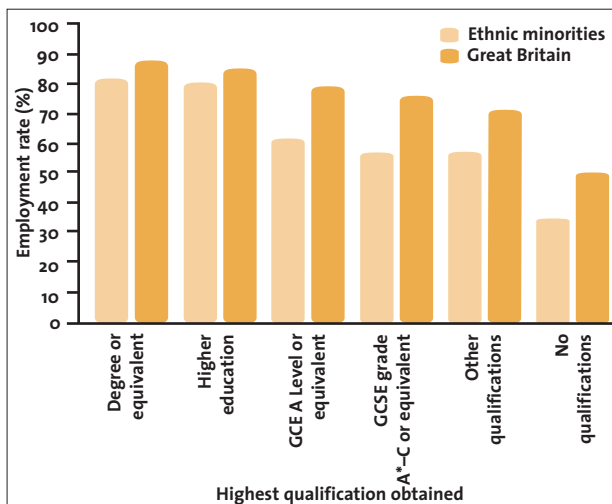
Figure 1.5: Employment rates of ethnic groups by gender



The employment rate gap is smaller for graduates, but it does not disappear ...

Figure 1.6 shows that for ethnic minorities who hold degrees, the employment rate is 81.4 per cent. This compares with an employment rate for members of the working age population overall who hold a degree of 87.4 per cent. This indicates that an employment gap remains at graduate level, although at six percentage points it is lower than the gap overall. A higher proportion of the Chinese and Indian groups hold degrees than other ethnic groups – at 29 per cent and 23 per cent respectively – while the Bangladeshi group has the lowest proportion of degree holders at just 7 per cent. Seventeen per cent of white people have a degree.

Figure 1.6: Employment rates by qualification for ethnic minorities and overall population

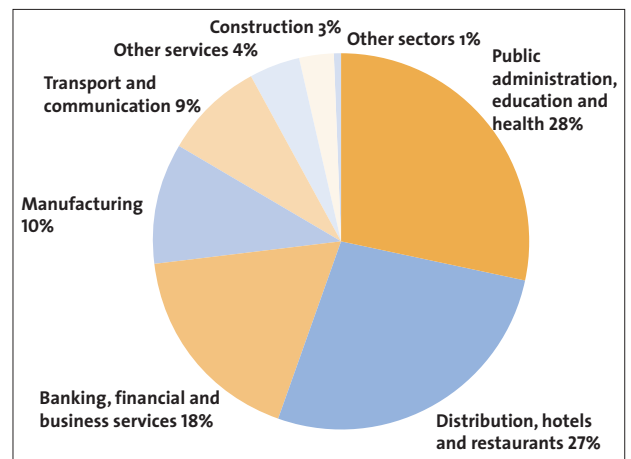


Public administration, education and health is the industrial sector that employs the largest proportion of the population, for both ethnic minorities and the overall population ...

Figure 1.7 shows the distribution of ethnic minority employees in the industrial sectors.

Ethnic minorities seem to be over-represented in the distribution, hotels and restaurants sector: about one in four individuals of an ethnic minority background are employed in this sector. This compares to one in five for the overall population. On the other hand, ethnic minorities seem to be under-represented in the construction sector (3 per cent of ethnic minorities and 8 per cent of the overall population are employed in this sector) and the manufacturing sector (10 per cent of ethnic minorities and 14 per cent of the overall population are employed in this sector).

Figure 1.7: Proportions of ethnic minorities employed in industrial sectors

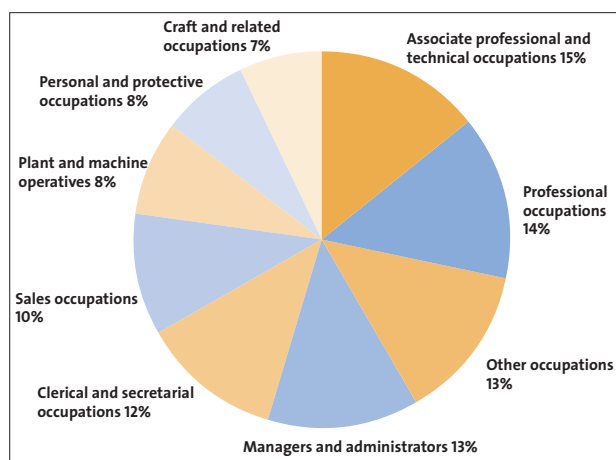


1. Setting the context: The evidence base (continued)

Once in employment, ethnic minorities have similar patterns of occupation to the overall population . . .

Figure 1.8 shows the employment pattern of ethnic minorities. Ethnic minorities and the overall population are equally represented in managerial and professional occupations (41 per cent). However, ethnic minorities were slightly over-represented in sales, customer service and elementary occupations (32 per cent compared to 27 per cent) and therefore under-represented in administrative and skilled trade occupations.

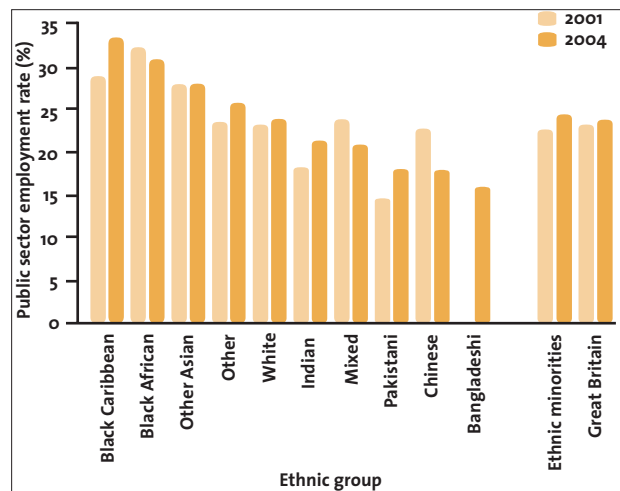
Figure 1.8: Occupations of employed ethnic minorities



The proportion of the ethnic minority population in public sector employment has remained broadly stable . . .

At spring 2004, 24.3 per cent of the ethnic minority working age population were employed in the public sector, compared with 23.7 per cent of the overall population (Figure 1.9).

Figure 1.9: Public sector employment rates by ethnic group

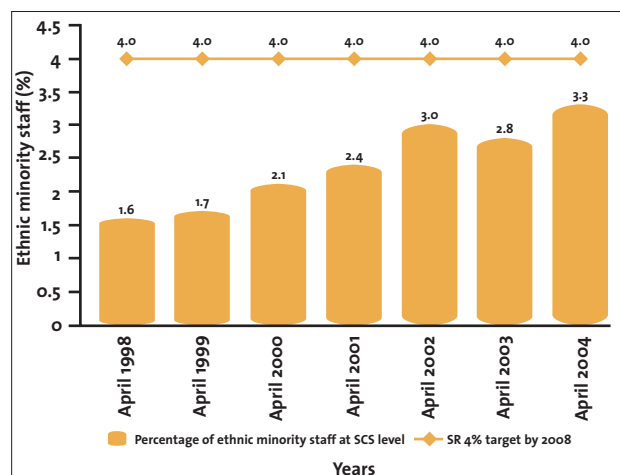


Ethnic minorities tend to be concentrated in the lower grades of the civil service . . .

However, while ethnic minorities are well-represented in the public sector, they tend to be concentrated in the lower grades. Figures for April 2004 show that there were 33,430 ethnic minority staff in the civil service and 120 at senior civil service level. This equates to ethnic minorities making up 8.2 per cent of all staff and, as shown in Figure 1.10, 3.3 per cent⁵ of senior civil service staff.

As part of the Spending Review 2004, the Government is committed to a new target that, by 2008, 4 per cent of the senior civil service should be from ethnic minority backgrounds.

Figure 1.10: percentage of ethnic minority staff at senior civil service level



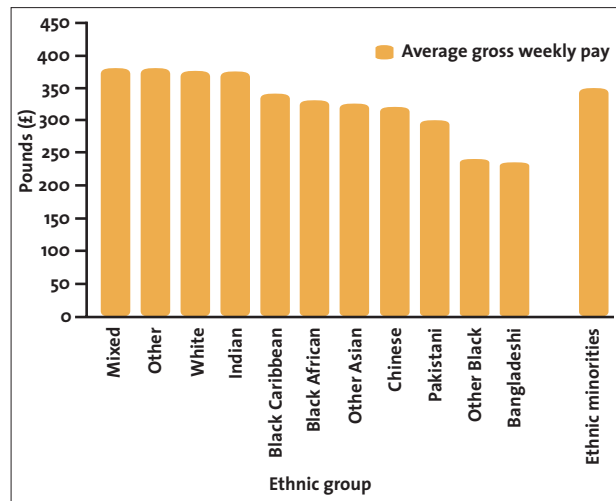
5. Percentage of staff with known ethnicity.

Source: www.civilservice.gov.uk/management_information/statistical_information/statistics/publications/xls/ethnicity_apro4.xls

Overall, ethnic minorities earn on average less per week than the white population ...

Figure 1.11 below shows that ethnic minorities, taken as a whole, have lower average earnings than the white population. It also indicates how average earnings vary by ethnic group.

Figure 1.11: Average gross weekly pay in main job by ethnic group⁶



Economic inactivity of ethnic minorities has reduced ...

The rate of economic inactivity⁷ for ethnic minorities has reduced by 1.4 percentage points, while that for the overall population has remained largely unchanged (**Figure 1.12**). This reduction in economic inactivity is mainly accounted for by the reduction in the proportion of inactive ethnic minority women, at 2.3 percentage points. This indicates that around 684,000 ethnic minority women are currently economically inactive.

Despite this decrease in economic inactivity, the differences in inactivity between ethnic minorities and the overall population remain large. Thirty-three per cent of ethnic minorities of working age are economically inactive, compared with 21.2 per cent for the overall population.

Bangladeshis and Pakistanis have the highest rate of economic inactivity. In contrast, the Black Caribbean group has the highest economic activity of all ethnic minority groups, and an inactivity rate equal to the national average.

Evidence suggests that economically inactive ethnic minorities are more likely to be students – 33 per cent of economically inactive ethnic minorities are students compared with 21 per cent for the overall population. Ethnic minorities are also more likely than the overall population to be inactive because they are looking after a family or home (36 per cent compared with 31 per cent).

On the other hand, ethnic minorities are less likely than the overall population of Great Britain to be inactive because they are long-term sick or disabled (15 per cent compared with 27 per cent).

Figure 1.12: Inactivity rates by ethnic group

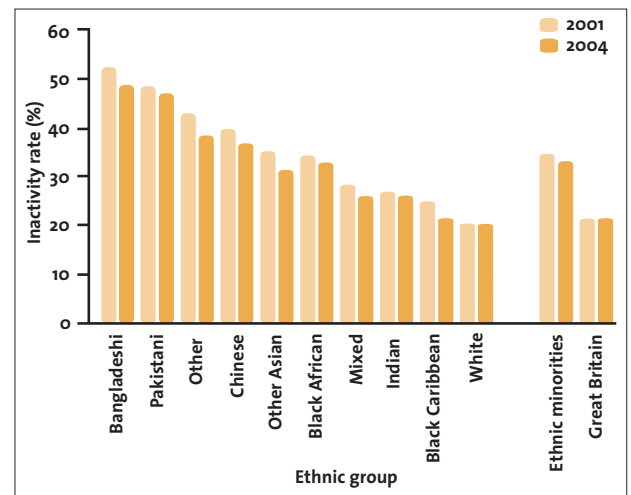
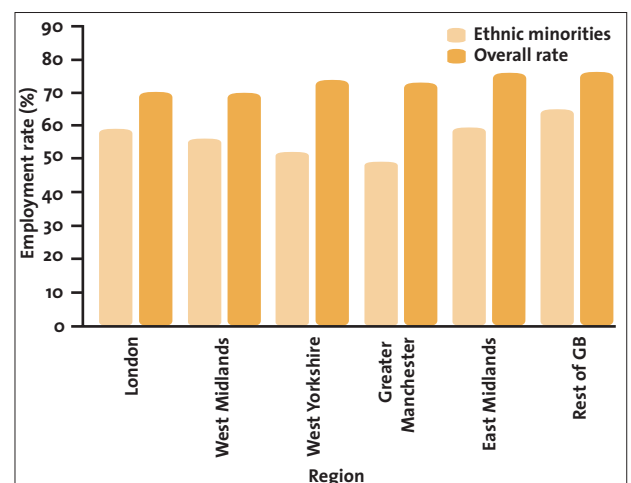


Figure 1.13⁸ demonstrates that there is an employment rate gap in regions where ethnic minorities are concentrated. The overall situation remains similar to that described by the Strategy Unit report. The region with the largest employment rate gap is Greater Manchester (24 percentage points), followed by West Yorkshire (22 percentage points). The gap is smallest in the rest of Great Britain (11 percentage points), and in London (11.5 percentage points).

Figure 1.13: Ethnic minority and overall employment rates for regions



6. Source: *Spring 2004 Labour Force Survey*, single quarter only.

7. Inactivity is defined at those individuals of working age not available for and not actively seeking work.

8. See also Annex E – Map of ethnic minority working age population.

1. Setting the context: The evidence base (continued)

Members of the ethnic minority community are more likely to live in poverty . . .

Table 1.1 shows the percentage proportion of different ethnic groups living in low income⁹ households.

Households headed by an ethnic minority person are more likely to be low income households – 34 per cent of ethnic minority households compared with 16 per cent of white households. This low income proportion increases to 60 per cent in households headed by someone of Pakistani or Bangladeshi origin.

The same is true of households where there are children.

Table 1.1 also shows that 38 per cent of ethnic minority children are in low income households compared with 18 per cent of white households.

Table 1.1: Percentage of population living in low income households by ethnic group of head of household and as proportion of all individuals¹⁰

Ethnic group	Whole population	Children
White	16%	18%
Ethnic minority, of which:	34%	38%
Mixed	17%	21%
Indian	17%	19%
Pakistani/Bangladeshi	60%	65%
Black	26%	27%
Chinese or other ethnic group	34%	28%

Developing beyond the Strategy Unit report

The latest employment figures demonstrate that the ethnic minority employment rate is rising, and that the ethnic minority employment gap is narrowing. As this chapter demonstrates, the Government is committed to continuing to refine its understanding of the position of ethnic minorities in the UK, and of the factors that contribute to ethnic minority employment disadvantage. It underpins the work set out in the following three chapters of this report.

Since the Task Force was put in place a large number of new research projects have been started. These projects focus on many aspects, for example educational attainment, barriers to employment, the effectiveness of Jobcentre Plus provision, the geography of inequality in Census 2001, ethnic parity and New Deal outcomes, interactions in job interviews, perceptions of discrimination in the workplace, and the outcomes of Employment Tribunals. This is the largest research programme of its kind ever undertaken within the UK and many of these projects will be completed and published in 2005. The results will greatly strengthen the evidence base on which the ethnic minority employment strategy will continue to be developed.

9. Low income is defined as below 60 per cent of 2002/03 median income on a Before Housing Costs basis.

10. Source: Family Resources Survey 2002/03.

2. Building employability

Summary

The Strategy Unit report examined the impact of levels of education and skills on labour market achievement . . .

And it found that ethnic minority people tend to have lower levels of education and skills – or human capital – than the population overall.

The report then set out actions to improve ethnic minorities' human capital . . .

These actions largely relate to ways to improve the attainment of ethnic minority pupils in compulsory schooling.

These actions are being implemented by the DfES . . .

Largely through its Aiming High strategy, which aims to improve the attainment of ethnic minority pupils at school.

A number of measures are in place to improve the educational attainment of ethnic minorities in school, including . . .

- the collection of attainment data, which enables DfES to measure the success of its strategy;
- targeted support for pupils from African and Caribbean backgrounds;
- improved use of funding streams such as the Ethnic Minority Achievement Grant; and
- a revised Ofsted inspection framework.

A greater proportion of ethnic minority than white pupils enter higher education . . .

But attainment data suggests that ethnic minorities perform less well than their white peers at university, and that they tend to be clustered in a small range of subjects and institutions.

DfES is working to improve ethnic minorities' participation in higher education . . .

Particularly through its Aimhigher programme, one of the aims of which is to promote ethnic minority participation in a wider range of subjects and institutions.

The Government is also working to improve skills levels. Key developments include:

- the National Skills Strategy; and
- the New Deal for Skills.

The Task Force will work with DfES to ensure that ethnic minorities have the levels of education and skills that are crucial for employment success . . .

Including by ensuring that the Aiming High strategy achieves demonstrable progress in narrowing the attainment gap, and by developing the skills agenda.

This chapter examines the impact of low levels of educational attainment and skills on an individual's chances of employment success, and sets out what the Task Force has done in the past year to improve the education and skills levels of ethnic minority people – in effect, to build their employability.

Lack of human capital

As the Strategy Unit report researched the reasons why some ethnic minority people suffer disadvantage in the labour market, it found that disproportionate numbers of young people from particular ethnic minority groups perform less well at school than their white peers. It also found that some ethnic minorities are more likely than the rest of the population to have low levels of basic skills, including fluency in English. The report referred to this combination of educational attainment and skills as human capital, and found that low levels of human capital are an important barrier to employment for some ethnic minorities.¹

Strategy Unit recommendations

Having set out the evidence that some ethnic minorities clearly do not possess the human capital that is essential for employment success, the Strategy Unit report recommended a plan of action for the Government. Its recommendations generally related to ways to improve the experiences and achievements of ethnic minority pupils in school, and are being implemented by the DfES.

Progress and success

The table below shows progress over the last year in terms of carrying out the Strategy Unit's recommendations. Of the seven recommendations within the building employability strand of the strategy, DfES has implemented recommendations 1, 2, 3 and 7. For recommendation 1, DfES has agreed to report annually on whether achievement gaps are closing for ethnic minority groups through the Government's Community Cohesion and Race Equality strategy.

Key elements of the remaining school-focused recommendations have been incorporated into Aiming High, the Government's strategy for raising ethnic minority achievement in schools. For example, the identification and use of best practice between schools (recommendation 4) is integral to the targeted work rolled out through the existing strategy to support ethnic minority pupils. The engagement of parents and the community – referred to in recommendation 5 – is central to the Aiming High strategy, and to projects rolled out under the strategy.

	Recommendation	Lead	Timing	Progress
1	Ethnicity should be factored into current education targets if under-attaining groups continue to under-perform.	DfES	Q3/2005	Not yet due. DfES will measure progress towards narrowing the educational achievement gap and report on progress through the Government's Community Cohesion and Race Equality strategy.
2	Where the performance of ethnic minority pupils is of serious concern, Ofsted should identify this as a weakness in its report to parents.	DfES/ Ofsted	Q3/2004	Met. In September 2003, the Combating Racism Thematic Inspection was put in place.
3	Funding arrangements should be reviewed to ensure that the Ethnic Minority Achievement Grant (EMAG): i) is linked to pupil needs, not simple ethnicity; and ii) is flexible to help during periods of high pupil turnover.	DfES	i) Q2/2004 ii) Q3/2005	Met. As from April 2004, EMAGs are allocated through a needs-based formula.

continued

1. See Figure 1.6 in Chapter 1.

2. Building employability (continued)

	Recommendation	Lead	Timing	Progress
4	DfES should review schools' use of best practice guidance.	DfES	Q2/2004	<p>Recommendation is being addressed through the Aiming High strategy.</p> <p>African Caribbean Achievement programme: 30 pilot schools have begun work on the project. Audits have been completed and schools are taking forward action plans.</p> <p>English as an Additional Language (EAL) Primary Programme: November 2003: Regional Directors were appointed. Twenty-one pilot Local Education Authorities have begun work on the project.</p> <p>Excellence in Cities (EiC)/EMAG Projects: Project 2 DfES evaluation reports and dissemination plans have been received. Case studies have recently been on DfES website.</p>
5	All local education authorities (LEAs) with significant attainment problems for ethnic minority pupils should have appropriate parental engagement processes.	DfES	Q4/2003	<p>Recommendation is being addressed through the Aiming High strategy.</p> <p>DfES's biannual parents' survey, which includes the views of a significant number of ethnic minority parents, was completed in April 2004. The findings are currently being analysed, and the final report is due in late autumn 2004.</p> <p>The Materials for Schools toolkit, which supports schools to engage parents more effectively, has been developed and is currently being promoted to LEAs.</p>
6	DfES should draw up a communications strategy to advise, inform and support parents.	DfES	Q2/2005	Not yet due.

continued

	Recommendation	Lead	Timing	Progress
7	<p>DfES should conduct research to answer key questions:</p> <p>i) What problems do new migrant pupils face, and how do they impact on existing pupils?</p> <p>ii) What skills sets do ethnic minority graduates have? Is there a skills mis-match?</p> <p>iii) To what extent do ethnic minority parents understand and engage with the education system?</p> <p>iv) What is the demand for English language tuition among adults; where is it found; and does it help people to find work?</p> <p>v) Are there still signs that ethnic minority pupils are placed in lower sets than appropriate?</p> <p>vi) What can analysis of value-added data show about differing levels of educational attainment at schools?</p>	DfES	Q3/2004	<p>Met.</p> <p>i) Pupil Mobility Research has been completed, with data due to be published Q3/2004. Ofsted published a report on asylum seekers in schools in October 2003.</p> <p>ii) In June 2004 a research report was published on <i>Higher Education Minority Ethnic Students and Graduates</i>. DfES is developing an action plan to respond to the report's recommendations.</p> <p>iii) Addressed through recommendation 5.</p> <p>iv) The ESOL Pathfinders pilots have come to an end. Evaluation is ongoing and will be published in September 2004. Good practice has been disseminated.</p> <p>v) The EIC/EMAG action research project is completed. Key findings informed the guidance on effective use of the EMAG, published in February 2004, and will be used to influence mainstream policy. Case studies to be published on website.</p> <p>vi) Value-added data informs assessment of LEAs, schools and young people. Primary and secondary school performance tables including this data are published annually.</p>

Raising the achievement of ethnic minority pupils and closing the achievement gap is not an easy task. However, through the Aiming High strategy, DfES has developed some good policies and practices to help raise achievement in partnership with stakeholders. This strategy should, over time, help to address historic weaknesses and impact on the attainment levels of ethnic minority pupils in schools.

Improving the attainment of ethnic minorities in schools

Tackling the underachievement of ethnic minorities in schools was a central feature of the Strategy Unit report, which set out actions across a range of areas including monitoring school performance data, more effective use of funding and school inspection arrangements, use of best practice and parental

engagement. DfES is responding to the key education-focused issues raised by the Strategy Unit report through Aiming High – its strategy to raise ethnic minority achievement.

The Aiming High strategy

DfES's Aiming High strategy, which was launched in November 2003 following a full consultation with stakeholders, is central to the delivery of the Strategy Unit recommendations. It is based on:

Mainstreaming

The Department has looked at its mainstream policies for improved education outcomes, and ensured that the particular needs of ethnic minority pupils are addressed by these policies.

2. Building employability (continued)

Targeted support

In addition to this assessment of its mainstream policies, the department has put in place work that is specifically targeted at pupils that may be most at risk of achieving below their potential. As part of this, Black African and Caribbean pupils and bilingual pupils are receiving focused help.²

Accountability

The Strategy Unit report's recommendation³ that Ofsted inspections should be reformed to encourage schools to take greater responsibility for the performance of their ethnic minority pupils sits well with the third aspect of the Aiming High strategy, which ensures that the needs of ethnic minority pupils are reflected in accountability processes such as Ofsted inspections.

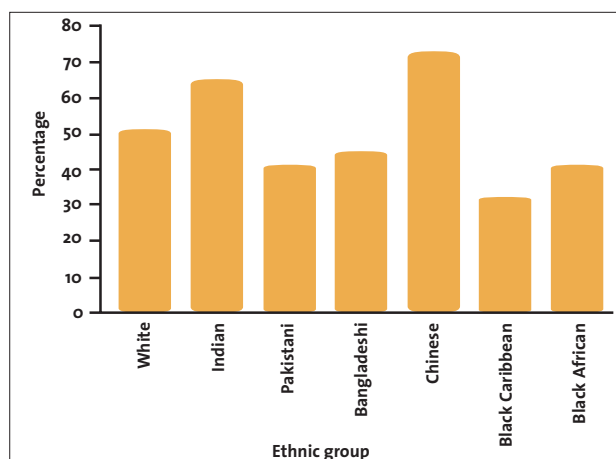
Through Aiming High, DfES seeks to ensure that pupils from all ethnic backgrounds, across all schools nationwide, benefit from an education of the highest standards.

National data on achievement in schools

In support of recommendation 1, DfES will assess the success of its strategy to improve the achievement in schools of ethnic minority pupils through its collection of Pupil Level Annual School Census (PLASC)⁴ data. This data is published annually, and provides information on the achievement of pupils from all ethnic groups.

Figure 2.1 shows that Indian and Chinese pupils outperform White pupils at GCSE while other groups lag behind. However, the gap between these groups has recently been narrowing.

Figure 2.1: Percentage of pupils (boys and girls) attaining 5 or more GCSEs grades A* to C



Support for African Caribbean pupils

DfES has acted to provide practical and targeted support for African Caribbean pupils, in order to improve their experience at school and their educational attainment. This project, which is intended to last 18 months, is currently operating in 30 secondary schools nationwide.

Each school receives guidance on best practice and extra funding to enable senior staff to dedicate time to taking forward the practical steps outlined in the guidance. Schools' leaders are supported by consultants who are experts in raising African Caribbean achievement, and they receive bespoke training supported through the National College of School Leadership. A team of researchers from the Institute of Education and Bristol University is evaluating the project, and will report in September 2005.

Support for African Caribbean pupils

One school involved in the African Caribbean project held an African Caribbean-focused residential weekend for teachers. Staff spent the weekend examining the progress of the Aiming High project to date, looking at effective teaching and learning support for pupils from African and Caribbean backgrounds, and attending workshops. These workshops covered issues including ways in which data can be used to raise the educational attainment of black pupils, and reviewing the curriculum to ensure that it reflects African and Caribbean heritage.

Funding

The Strategy Unit recommended that DfES should examine funding arrangements designed to benefit ethnic minority pupils, and ensure that they are properly linked to pupil need. In line with this, DfES took steps in 2003 to move the Ethnic Minority Achievement Grant (EMAG) to a fairer system of allocation, focusing more explicitly on pupil need. All local authorities receive EMAG funding to provide additional support to bilingual and underachieving ethnic minority pupils. The vast majority of the grant is passed on to schools to fund, among other things, specialist staff, training and resources.

DfES has also sought to improve how EMAG is used by publishing best practice guidance, hosting best practice seminars and piloting projects that demonstrate how the grant can be used most effectively.

Also in line with this recommendation, DfES launched a pilot project designed to raise the achievement of ethnic minority pupils by joining up Excellence in Cities and EMAG funding streams.

2. Refer to section later in this chapter on African Caribbean project.
3. The full text of the Strategy Unit recommendations can be found in Annex A.
4. PLASC data can be found at: www.dfes.gov.uk/rsgateway/DB/SFR/sooo448/index.shtml

The Ofsted inspection framework

The Strategy Unit report recognised that Ofsted's inspection powers can be an important lever to improve the achievements of ethnic minority pupils. In September 2003, Ofsted put in place a new inspection framework which focuses more effectively on ethnic minority attainment issues. Ofsted is also currently leading a review of best practice among LEAs in tackling racism and responding to the requirements of the Race Relations (Amendment) Act.

English as an additional language (EAL)

DfES has been looking at ways to enhance the skills of specialist and mainstream teachers to support bilingual pupils. As part of the National Primary Strategy, school staff are being trained in effective teaching and learning approaches for pupils with a first language other than English. In addition, national EAL qualifications for teachers and teaching assistants are now being piloted.

Making the Grade

The Making the Grade project focuses on the needs of advanced bilingual learners at key stage 4. It is managed by Enfield LEA, and operates across the London boroughs of Enfield, Lewisham, Ealing and Lambeth.

A network of London-based Advanced Skills Teachers has been established for teachers who wish to develop their expertise in teaching EAL. This network aims to raise awareness of EAL issues in the schools of the teachers involved, and to ensure that these teachers address EAL needs implicitly and explicitly in their work with other teachers.

Guidance on a common approach to the assessment of bilingual learners is due for publication in November 2004 and publication of research into the writing abilities of bilingual pupils at Key Stage 2 is due to be published in late 2004.

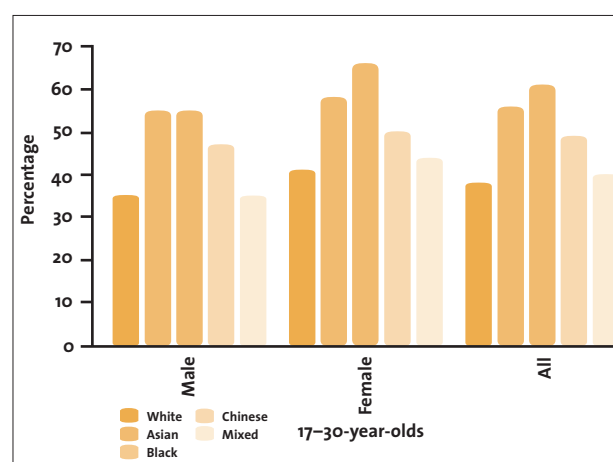
Higher education

As the PLASC data demonstrates, ethnic minority pupils tend to perform less well than their white counterparts at school, although this gap is narrowing. A greater proportion of ethnic minority pupils than white pupils progress on to higher education and this is true of all ethnic minority groups. However, ethnic minorities tend to be clustered in a small range of subjects and institutions, have lower course completion rates and are less likely to have a high class degree.

At the same time, a higher proportion of ethnic minorities obtain a degree relative to whites. When background variables are removed (mainly previous schooling and entry qualification) then the gap in degree quality reduces considerably. However, ethnic minority graduates still perform less well in the labour market than white graduates.

Figure 2.2 shows that the participation rates are higher for all ethnic minority groups when compared to whites.⁵

Figure 2.2: Percentage of 17–30-year-olds entering higher education in 2001–02



The Aimhigher programme

The Aimhigher programme, which is jointly funded by DfES, the Higher Education Funding Council for England and the Learning and Skills Council, is a national outreach programme which aims to widen participation in higher education (HE) and to increase the number of young people who have the abilities and aspirations to benefit from it. Aimhigher focuses on people from groups – including some ethnic minority groups – who are currently under-represented in HE. It therefore operates most intensively in deprived areas. Aimhigher supports the Government's key target to increase participation in HE towards 50 per cent of 18–30-year-olds by the end of this decade. Aimhigher also focuses on promoting ethnic minority representation in a wider range of subjects and institutions.

5. Source: Higher Education Initial Participation Rates (HEIPR) in 2001/02. The estimated population and HE entrants column show the total numbers in the relevant populations. The HEIPR is calculated as a sum of percentages participating in each age group year (17–30). The overall HEIPR has been adjusted to exclude ethnicity unknowns, so is lower (at 40 per cent) than the published overall HEIPR (43.5 per cent) for 2001/02. The HEIPR figures for all ethnic groups should be treated with caution because of some unreliability and uncertainty inherent in the data sources. For further details, see DFES Report 552, *Why the Difference*, page 150.

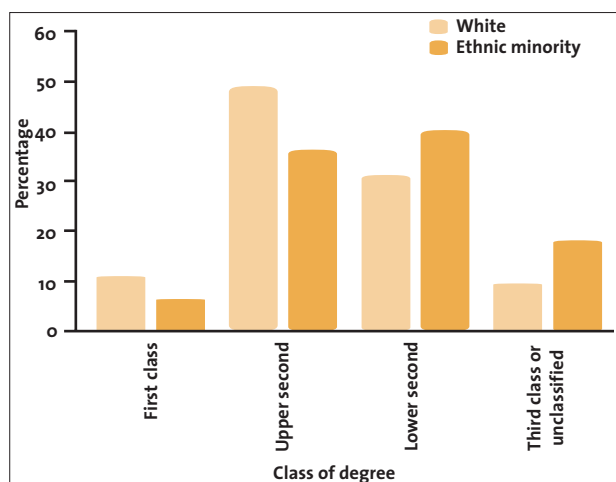
2. Building employability (continued)

Aimhigher's objectives include:

- to raise aspirations and motivation to enter HE among young people in schools, further education and workplace learning who are from under-represented groups;
- to help raise the attainment of potential HE students from under-represented groups, so that they gain the academic or vocational qualifications needed to progress;
- to raise students' aspirations to attend HE and to apply to the institution and/or course that best suits their abilities and potential; and
- to help strengthen progression routes into HE via vocational courses, applications and acceptances to HE.

Figure 2.3 below shows the class of degree obtained by graduates at universities in England, including the Open University, having undertaken both full- and part-time study, in 2001/02.⁶ It demonstrates that white graduates achieve the greater share of first and upper second class degrees, while ethnic minority graduates achieve the greater share of the lower second and third class degrees.

Figure 2.3: Class of degree obtained by university graduates (England) in 2001–02



In 2004, DfES published a report⁷ commissioned from the Institute of Employment Studies which examined both ethnic minority participation in HE, and the transition to the labour market for ethnic minority graduates. The report identified that although there was considerable variation within and across groups, ethnic minority students, on the whole, underachieved. Overt discrimination was not identified as an influential factor in attainment rates for ethnic groups. The main issues that influenced ethnic minority entry rates were identified as the age of the student, their entry qualifications, and the type of institution attended.

The report suggests that the problems ethnic minority graduates face in accessing employment lie essentially in background characteristics of individuals, their choice of study, geographical location, degree performance, job search behaviour, and the effects of general ethnic minority disadvantage in the labour market. While several initiatives have been developed by some HE institutions to improve the labour market prospects of graduates, they have not been systematically evaluated.

In order to tackle employer discrimination, the report suggests that graduate employers need to be specifically targeted to ensure that diversity is being actively pursued in their recruitment practices. The report also suggests that the Government should help employers understand the changing nature of the student population and better appreciate the different pathways into and through HE taken by ethnic minority students.

Broader policy developments: improving skills

The Strategy Unit highlighted that lack of skills, specifically basic skills and fluency in English, is a barrier to labour market participation. Since the report, there have been a number of key developments in the Government's policies on skills across DfES and DWP which we outline in this section.

The Skills White Paper *21st Century Skills – Realising Our Potential*⁸ sets out the Government's programme to tackle the skills gap between the UK and its main economic competitors. It commits the Government and its key partners to a radical strategy of demand-led provision of skills. The strategy is recognised by reformed qualifications, steered by the needs of employers through the powerful new Skills for Business Network, and given a sharp regional focus through the new Regional Skills Partnerships.

The Skills Strategy aims to ensure equality of access to opportunities by ensuring that public funds are focused on those most in need. It re-focuses public investment into those areas of skills provision where it is most needed: namely, in a universal entitlement to a first full Level 2 qualification,⁹ and in specific shortage areas above Level 2. Research shows a wide range of participation and qualification levels among ethnic minority groups. The changes in this Skills Strategy will particularly help those with few or no qualifications, and those who currently have uneven access to learning.

The New Deal for Skills was announced in the Budget 2004. The programme, currently in the design stage, will build on the overall ambitions in the Skills Strategy and particularly on the National Employment Panel's report *Welfare to Workforce Development*.¹⁰ New Deal for Skills will deliver tangible products to improve the links between

6. HEIPR figures (2001/02).

7. *Why the Difference: A Closer Look at Higher Education Minority Ethnic Students and Graduates*, Helen Connor, Claire Tyers, Tariq Modood and Jim Hillage, July 2004.

8. *21st Century Skills – Realising Our Potential* (Cm 5810, July 2003).

9. NVQ Level 2 is equivalent to five A* to C grade GCSEs.

10. *Welfare to Workforce Development*, March 2004.

welfare and sustainable employment. Support for ethnic minorities, as well as other labour market disadvantaged groups, is mainstreamed across all programmes.

The Strategy Unit also highlighted three areas on skills in its report, which we discuss in this chapter: English for Speakers of Other Languages; the Learning and Skills Councils; and apprenticeships.

English for Speakers of Other Languages

Lack of fluency in English is a major barrier to employment, and it is one that affects several ethnic minority groups. For example, the Strategy Unit report found that over three-quarters of Bangladeshi women over the age of 25 do not speak fluent English. The Strategy Unit therefore recommended research to develop a better understanding of the demand for provision of training in English for Speakers of Other Languages (ESOL).¹¹

To develop ESOL provision and disseminate good practice, the Adult Basic Skills Strategy Unit of the DfES managed 11 ESOL Pathfinder action research projects, which ran nationally from September 2002 to December 2003. They tested core teaching and learning materials in a variety of contexts to ensure that the needs of ESOL learners are fully met; investigated a range of delivery models; and disseminated examples of good practice.

Examples of developmental work undertaken by the ESOL Pathfinders

The South East Coastal Counties ESOL Pathfinder Project worked in partnership with Sompriti, an ethnic minority voluntary organisation that works with ethnic minority people in East Sussex. Work included providing bilingual community support for actual and potential ESOL learners through individual interviews and learners' forums and carrying out initial assessment and guidance for Jobcentre Plus.

In Exeter and Plymouth, the ESOL Pathfinder Project worked in partnership with the Islamic Centre of the South West, which focused primarily on the English language needs of Muslim women.

West Yorkshire's ESOL Pathfinder ran a project at the Minerva Centre in Bradford which involved training Asian women as learning mentors for other students with low levels of literacy. These mentors, as trusted members of the local community, were able to reach potential learners inaccessible to mainstream ESOL tutors.

Learning and Skills Council

The Learning and Skills Council (LSC) is responsible for funding and planning education and training for young people and adults in England. It is accountable to DfES and operates through 47 local LSCs across the country.

The Learning and Skills Act (2000) committed the LSC to have due regard to the need to promote equality of opportunity between persons of different ethnic groups. In accordance with this obligation, the LSC's second *Annual Equality and Diversity Report* showed that, between September 2002 and August 2003, the following progress had been made:

- The roll-out of Equality and Diversity Impact Measures (EDIM) across all 47 local LSCs. These measures reflect an analysis of participation, retention and achievement, and the identification of gaps in and barriers to learning provision. They also set out the actions to be taken that are most appropriate to the needs of the local communities.
- Access to the Ethnic Minority Student Achievement Grant (EMSAG) was extended to all local LSCs and a wider range of providers. EMSAG is aimed at students in further education, and is used to support projects intended to raise achievement for people from ethnic minority backgrounds where they are underachieving relative to other racial groups.
- Continued support for the work of the Commission for Black Staff in Further Education, in particular:
 - funding of Senior Leadership and Management Development programmes to help aspiring black college principals and middle managers; and
 - co-funding a Black Leadership Initiative project to provide secondment, mentoring and shadowing opportunities for black FE staff.

11. Strategy Unit recommendation 7 – see Annex A for full text.

2. Building employability (continued)

Apprenticeships

Apprenticeships are nationally designed learning programmes for young people aged between 16 and 24 who have already left full-time education or are already in employment. The Strategy Unit report recognised the apprenticeship framework as an effective link between education and employment which provides young people with a combination of on- and off-the-job training while they are being paid.

DfES and the LSC have a Race Equality Scheme for Apprenticeships. This sets out how the LSC will meet its general duty to promote equality of opportunity with regard to apprenticeships. Local LSCs are required to develop EDIM. These measures are set to pinpoint and address local issues of equality and diversity, including race equality.

Developing beyond the Strategy Unit report

This chapter has demonstrated progress in response to the Strategy Unit report, which focused largely on the need to raise the achievement of ethnic minority pupils in schools. This year, the Government has made particular progress in terms of examining ways to improve the educational attainment of ethnic minorities in schools, with DfES's Aiming High strategy being the key. A priority for the Task Force will be to ensure that the strategy achieves demonstrable progress in closing the ethnic minority attainment gap.

While the Strategy Unit report was quite clear on the wide and persisting skills gap for ethnic minorities, it was less explicit about measures to address this gap. The Government's priority for the building employability strand of the strategy will therefore be to build on the Strategy Unit's findings to develop broader themes, around early years, further and higher education and adult basic skills, including ESOL. In particular, the Task Force will want to ensure that current and proposed government skills policies and programmes fully address the needs of ethnic minorities.

3. Connecting people to work

Summary

The Strategy Unit report demonstrated that people from ethnic minority backgrounds tend to live in deprived areas with associated housing, transport, and employment problems. It also found that support and advice on work and training does not always reach some ethnic minority groups . . .

And it set out actions to tackle these barriers and to connect people with work. These actions were designed to increase the ability of employment and business services to respond more flexibly to the needs of ethnic minority groups.

The recommendations of the Strategy Unit report sit well with DWP's thinking on how to improve and mainstream the delivery of services to disadvantaged groups generally, including:

- greater discretion and flexibility for local delivery bodies; and
- improved targeting of resources at disadvantaged areas.

DWP and Jobcentre Plus have developed measures specifically to connect ethnic minorities with work, both to meet the requirements of the Strategy Unit report and to meet the ethnic minority PSA target, including:

- the Ethnic Minority Outreach initiative;
- work with social housing providers; and
- Jobcentre Plus's target structure.

Jobcentre Plus's target structure is designed to boost activity in wards with high ethnic minority populations and high unemployment . . .

Jobcentre Plus will therefore seek to improve its own contribution to the employment rates in the ethnic minority target wards.

But in order to achieve a substantial rise in the ethnic minority employment rate, we will need to find ways to reach people who are inactive in the labour market . . .

Because a substantial proportion of ethnic minorities who are not employed are economically inactive, and are not using Jobcentre Plus services.

The Task Force will also examine ways to remove the multiple barriers to employment that some ethnic minority groups face . . .

Particularly by finding ways to link up agencies that work with ethnic minority people to remove multiple barriers to employment.

In this chapter, we examine how the Strategy Unit's recommendations to connect more ethnic minority people to work are being met, and how far these recommendations tackle the serious disconnection from the labour market experienced by some ethnic minority groups.

We concentrate on how DWP and Jobcentre Plus have met the Strategy Unit's challenge to deliver programmes and services more flexibly and in a more targeted way for the benefit of ethnic minorities. The Task Force recognises that other government departments have a crucial part to play, not least the ODPM's work in neighbourhood renewal and the DTI's work to tackle employer discrimination. However, this chapter focuses on the actions that have been taken, since the Strategy Unit report, to improve DWP's performance for ethnic minorities. Finally, we look at what else needs to be done to make a substantial contribution to the overall target of narrowing the employment gap.

Disconnection from the labour market

The Strategy Unit report was clear on the main existing problems that prevent some ethnic minority people entering the labour market. We know that proportionally more ethnic minorities live in deprived areas with associated employment, housing and transport problems; that support and advice on work and training does not always reach some ethnic groups; and that other barriers compound labour market failure for ethnic minorities.

Strategy Unit recommendations

Having identified where it felt ethnic minorities were not benefiting as they should from the Government's existing employment strategy, the Strategy Unit report identified a number of measures to help workless people back into the labour market and into a sustainable job – in effect, to connect people to work. The measures were designed to increase employment and business services' ability to respond more effectively and flexibly to the needs of ethnic minority jobseekers. They also aimed to ensure that Jobcentre Plus structures, targets and ways of working provide the right means of promoting sustainable jobs for disadvantaged ethnic minority groups.

Progress and success

The table below summarises the progress that the Government has made over the past year in implementing the 'connecting people to work' recommendations of the Strategy Unit report. All nine recommendations were due to be completed by autumn 2004. Six recommendations are fully completed. Of the remaining three, the roll-out of the Housing and Employment Mobility Service will be implemented in spring 2005, and work is continuing on recommendations 15 and 16.

	Recommendation	Lead	Timing	Progress
8	Jobcentre Plus should have an action plan to improve performance for ethnic minorities.	DWP	Q1/2004	Met. Introduced Jobcentre Plus Race Equality Scheme: July 2003. Jobcentre Plus Ethnic Minority Business Delivery Plan approved by the Jobcentre Plus Board November 2003. Ethnic Minority Business Focus Group has a delivery plan in place to support job entry performance in high ethnic minority areas.
9	DWP should review Jobcentre Plus's target points system.	DWP	Q3/2003	Met. Since 2002/03 the Performance and Resources Agreement (PRA) has sought to give incentives to performance in high ethnic minority areas. The system has been revised for 2003/04 and 2004/05 and was evaluated in 2003/04.
10	DWP should use the evaluation of the Tailored Pathways pilots to review the effects of improved targeting and flexibility.	DWP	Q4/2003	Met. <i>Building on New Deal</i> published summer 2004 includes new flexibility and discretion.

continued

3. Connecting people to work (continued)

	Recommendation	Lead	Timing	Progress
11	Employment Zone (EZ) approach should be rolled out to first-time New Deal for Young People (NDYP) clients.	DWP	Q2/2003	Met. <i>Building on New Deal</i> , published summer 2004, includes new flexibility and discretion similar to EZ approach.
12	DWP should encourage Jobcentres to develop employment interventions in partnership with social housing providers.	DWP	Q4/2003	Met. The majority of the 36 districts that contain high ethnic minority areas (as identified through the PRA) have developed partnerships with local housing providers.
13	ODPM should roll out the Housing and Employment Mobility Service (HEMS), ensuring ethnic minority housing providers are not excluded.	ODPM	Q2/2003	Not yet met. The HEMS contract was awarded to Scout Solutions in January 2004. Implementation in January 2005.
14	DfES and Inland Revenue (IR) should carry out research into take-up of formal childcare among ethnic minorities.	DfES and IR	Q2/2003	Not yet met. As part of research into Sure Start, final reports produced January 2004. Programme of work in place in March 2004 building on the findings of the research. DfES is currently carrying out a large scale survey of childcare use by parents in England and Wales, which is due to report in summer 2005. Children's Information services: nine seminars completed March 2005. IR has a rolling programme of collecting administrative information on the ethnic origin of Tax Credit recipients through renewals forms. IR is yet to assess the quality of the data received to date. The feasibility of producing take-up rates by ethnicity using survey data will be looked at in due course, following on from more general work to estimate Tax Credit take-up rates. The earliest this will be completed is late 2005. IR continues to carry out Tax Credit publicity campaigns which are targeted at ethnic minority groups, and provides leaflets and posters on Tax Credits in languages other than English.

continued

	Recommendation	Lead	Timing	Progress
15	<p>The Small Business Service (SBS) should adopt a range of measures including:</p> <p>i) developing a strategy to build the capacity of Business Link Operators;</p> <p>ii) developing a strategy to deliver focused support to ethnic minority entrepreneurs; and</p> <p>iii) setting year on year targets to improve the proportion of ethnic minority businesses it serves.</p>	DTI and SBS	<p>i) Q3/2003</p> <p>ii) Q4/2003</p> <p>iii) Q1/2004</p>	<p>Not yet met.</p> <p>SBS has collected data through customer satisfaction surveys of Business Link clients. Provisional information for 2003/04 is now in and full returns from all Business Link Operators have been received and will be finalised shortly.</p> <p>This information is expected to be available half-yearly and possibly quarterly from Q2 2004/05 onwards (first results available in November 2004).</p>
16	DTI and National Regeneration Unit should report on how funds to support business in deprived neighbourhoods are being used, and feed this information into future ethnic minority community strategies.	DTI and HO	Q4/2003	<p>Not yet met.</p> <p>The Phoenix Fund, which encourages entrepreneurship in disadvantaged areas, supported 19 ethnic minority projects up to March 2004. Four of these will receive continued funding to March 2006.</p> <p>Jacqui Smith, Minister for Industry and the Regions, has written to all Regional Development Agency chairs to re-focus attention on the economic benefits of engaging with ethnic minority businesses.</p> <p>ODPM and DTI are setting up a framework to measure the impact on ethnic minority communities of government funds aimed at supporting economic growth and businesses in deprived neighbourhoods. This has proved more difficult than anticipated. While it is possible to measure how much money is given directly to ethnic minority businesses under programmes such as the Deprived Urban Post Office Fund, it will take longer to assess the impact on ethnic minority communities of other programmes which are designed to increase the general level of entrepreneurship in deprived areas.</p>

3. Connecting people to work (continued)

While it is crucial to the success of the ethnic minority employment strategy that these recommendations are implemented, this is only half the story. This chapter will describe some of the work that continues to be done to connect people to work, some problems that we still need to make progress on, and the action we will take to resolve them.

Research project: Ethnic minorities and geography

Where people live affects whether or not they can find work – and ethnic minorities often live in the areas of highest unemployment. Given the current gap in the employment rates between ethnic minorities and the overall population, it is important to gather as much evidence as possible on the factors affecting the performance of different ethnic groups.

DWP has commissioned a research project to be undertaken by Manchester and Sheffield Universities to provide a comprehensive summary of the experiences of ethnic minority groups in the labour market by fully utilising the data available from the Census 2001. It will also explore the extent to which geographical and local neighbourhood factors impact on the labour market activity of ethnic groups.

An exciting part of this will be the production of an HTML interface to provide neighbourhood statistics and profiles triggered from interactive maps. This will be for small neighbourhoods with populations of about 40,000 and aggregations of them for the whole of Britain.

The research will be completed in spring 2005.

New Deal

Since 1997, the Government has set out to give people the help and support they need to move from welfare into work, and to achieve the goal of full employment in all regions¹ of the UK. The UK now has over 28 million people in employment, over 1.9 million more than in 1997. At the heart of this success is New Deal.

Since its launch, New Deal has helped over a million people into work, including 125,000 ethnic minority people. The New Deal programmes provide flexible and tailored support to help people find jobs.

Broader strategy – Building on New Deal

The Strategy Unit's connecting people to work recommendations followed DWP and Treasury thinking, at that time, on how to improve the delivery of services for disadvantaged groups. Several of the Strategy Unit recommendations were already current policy or changes that were in the pipeline at the time the report was published. These included:

- greater discretion and flexibility for local delivery bodies;
- improved targeting of resources at disadvantaged areas; and
- better incentives built into Jobcentre Plus's PRA.

This greater degree of targeting and flexibility was first demonstrated by programmes such as Employment Zones and Action Teams, which allow jobseekers, their personal advisers and employers more flexibility in overcoming individual and local barriers to work. The success of these programmes in dealing with jobseekers from disadvantaged groups, including ethnic minorities, led to the further development of the welfare to work strategy along these lines, and to the implementation of measures such as the Adviser's Discretionary Fund.

These developments culminated in the report *Building on New Deal: Local solutions meeting individual needs*.² This report summarises the changing approach to the delivery of New Deal programmes. The future framework of back to work help is founded on three core principles:

- a national framework of rights and responsibilities;
- greater local flexibility, devolution and discretion; and
- accountability, targets and contestability.³

The report proposed:

- earlier access to programme help;
- more innovative provision;
- additional discretionary funds;
- simpler 'routeways' to employment via named programme advisers; and
- advisers being able to choose from a menu of streams of provision rather than the set menu of a given programme.

DWP will test the delivery of the new services in prototype areas from late 2005.

1. Source: *Full Employment in Every Region*, see www.hm-treasury.gov.uk

2. The report is available at: www.dwp.gov.uk/publications/dwp/2004/buildingonnewdeal/mainreport.pdf

3. The term 'contestability' is used to describe the principle of opening up public services to competition between private and voluntary sectors, and public services.

Research project: Perceptions of Jobcentre Plus

Previous research carried out by the Employment Service and Jobcentre Plus has shown that ethnic minority customers have tended to have a more negative view of the organisation than the white population. However, ethnic minorities were only a small part of the research and a more comprehensive picture was required. In November 2003, DWP contracted the Policy Studies Institute to conduct research aimed at understanding how Jobcentre Plus was viewed by its ethnic minority customers, and which programmes they found most useful.

The research has been concentrated in four locations with large ethnic minority populations: London, Birmingham, Glasgow and Cardiff. Four ethnic minority groups have been targeted: Black African, Black Caribbean, Pakistani and Bangladeshi. In addition there is a white control group.

The research uses a qualitative methodology to uncover the experiences and perceptions of ethnic minorities. The principal method used is the in-depth interview.

To gain a deeper understanding of the situation the contractors have interviewed key informants, including both frontline and managerial Jobcentre Plus staff and local employers, in addition to interviewing customers.

The research will be completed at the end of 2004.

Ethnic minority-specific programmes

Ethnic minority-specific programmes that have been developed out of the work to meet the ethnic minority employment PSA target have also incorporated a greater degree of flexibility, particularly in the geographical areas of higher ethnic minority population. Ethnic Minority Outreach, in particular, has tested different ways that private and voluntary sector organisations can attract more ethnic minorities into the mainstream labour market, providing a critical link to Jobcentre Plus services.

Acting on the Strategy Unit assumption that support and advice on work and training does not always reach some ethnic groups, Jobcentre Plus has extended Ethnic Minority Outreach until 2006 and added an £8 million flexible fund,

which has been available from spring 2004. The fund will allow Jobcentre Plus District Managers to implement ideas that resolve some of the local issues preventing ethnic minorities from entering employment.

In both the flexible fund and Ethnic Minority Outreach, District Managers are allowed to use their local knowledge to decide how their allocation is spent. Delivery is devolved to organisations from the voluntary, community and private sectors that have established links with ethnic minorities.

Bedfordshire Ethnic Minority Outreach

In Bedfordshire, Jobcentre Plus has been engaging with ethnic minority people by making use of community centres, children's centres, and local community events. For example, they recently sponsored a youth cricket match, and advisers are offering job-focused guidance to ethnic minority people at locations including a café within a community centre.

Catherine Barrett, Ward Outreach Manager responsible for co-ordinating these activities, noted, "We have quickly established that sitting behind a desk hoping customers will come to us does not work. We have to be willing to get involved with other activities taking place within community centres."

This approach has helped to overcome barriers that may be encountered when meeting ethnic minority customers who do not use Jobcentre Plus, such as language difficulties, or a mistrust of government-related services.

Bedfordshire is also working to build both goodwill and practical working relationships with community groups. Sareeta Jain, Manager of Dallow Community Centre in Luton, regards their involvement with Jobcentre Plus as a valuable partnership, and says, "Having job vacancies available within the community centre, and somebody to talk to about them, improves job prospects for local people."

This district activity will now be supported through the additional £14 million available to support Ethnic Minority Outreach.

3. Connecting people to work (continued)

The contribution of Ethnic Minority Outreach to the overall number of job placements for Jobcentre Plus is marginal but not insignificant. Over 3,000 jobs were gained from Ethnic Minority Outreach in the years 2001–2004. With a more jobs-focused second phase, a further 1,500 jobs are expected in 2004/05.

But Ethnic Minority Outreach is not just about the number of jobs it produces, as the Bedfordshire case study shows. From the start, the intention was that Jobcentre Plus can learn from the approaches of providers with greater experience of working with different ethnic minority groups, and can build goodwill within ethnic minority communities.

Our experience of the Ethnic Minority Outreach initiative suggested that it demonstrated two key areas of best practice:

Advisers with experience and expertise

Ethnic Minority Outreach providers have had some success in recruiting advisers from within 'hard to reach' communities with a knowledge of the employment issues faced by particular ethnic groups; fluency in relevant languages; sensitivity to cultural practices; and a level of commitment exceeding their contractual obligations.

Working in the community

Ethnic Minority Outreach providers make efforts to go into ethnic minority communities, and to make provision available in community venues. In addition, the use of media such as television, radio and the internet enables Ethnic Minority Outreach providers to reach people who would otherwise be unlikely to use a Jobcentre or a community centre.

Jobcentre Plus has taken action to improve Ethnic Minority Outreach performance, and to address problems such as some providers being unfamiliar with working with government agencies and the associated administrative burden. It is also building its capacity to assist providers in delivering the service and recording outcomes, and to connect Ethnic Minority Outreach to its mainstream work.

Lessons learnt from Ethnic Minority Outreach will be incorporated into the Jobcentre Plus strategy. Jobcentre Plus has already adopted new delivery arrangements for Ethnic Minority Outreach, placing greater weight on the achievement of job outcomes and drawing up a set of overarching targets for numbers of job outcomes, to be monitored at national level.

Work with social housing providers

In line with Strategy Unit recommendation 12, Jobcentre Plus has been working with a number of social housing providers (see panel below on Coventry and Warwickshire District and Whitefriars Housing Group).

Despite some initial reservations about working with Jobcentre Plus, there is some evidence that social housing providers have found partnerships beneficial. Advantages have included helping tenants who would not normally use Jobcentre Plus services and the presence of Action Teams in some wards, which has encouraged other agencies to deliver services directly to a housing estate.

Jobcentre Plus Action Teams, which have been at the forefront of work with housing associations and other providers, have found them to be receptive to working in partnership. Where, for example, providers are in receipt of Single Regeneration Budget funds, they often set themselves targets for getting tenants into employment and therefore appreciate the help Jobcentre Plus can give in achieving their targets.

Coventry and Warwickshire District and Whitefriars Housing Group

Coventry and Warwickshire District have regular working partnership arrangements with Whitefriars Housing Group, which delivers a five-year local authority housing refurbishment programme for 19,000 homes in Coventry.

Nev Wells, Regeneration Manager for the Whitefriars Housing Group, currently chairs the Ambition Construction/Co-Build Joint Management Group in Coventry. This group includes representatives from Jobcentre Plus, the Local Construction Employment Unit, local construction employers and providers. It has been helpful in developing the Ambition Construction pilot within the district by identifying local employer needs and concerns.

Locally, Jobcentre Plus has also supported Whitefriars as an active partner in their application for a Demonstration Project – Whitefriars Sustainable Training for Sustainable Communities – which has recently been approved by Constructing Excellence in the West Midlands.

The Sustainable Training for Sustainable Communities Demonstration Project is a joint Housing Forum and Construction Industry Training Board/Construction Skills initiative, aimed at maximising the local community employment and training opportunities generated by social housing transfers and their resulting works/refurbishment programmes.

Jobcentre Plus is one of the partnership cluster, which includes cross-sector training providers, funding organisations, and large and small local/regional/national employers. This cluster provides management advice and networking opportunities to training initiatives, including Ambition Construction and LSC Workforce Development programmes, and employer representation covering housing (refurbishment and new build), civil and general construction. The partnership cluster is committed to measure key performance indicators for equality and diversity, qualifications and skills training.

PRA target

But perhaps the most significant advances in the strategy to connect people to work have been through the PRA⁴ target structure, which has been in operation in Jobcentre Plus since 2002/03.

The basis of the structure is to award point scores for job placings for different categories of Jobcentre Plus customer which go towards an overall points target. In 2002/03, an additional two points were given for job placings in the 30 local authority districts (LADs) with the poorest labour market position and in a further 30 districts with the highest proportion of ethnic minority population.

As the Strategy Unit report recommended, a review was made of the initial system and a number of changes to the additional points system were implemented in 2003/04. Additional points became applicable in:

- 30 LADs with a disadvantaged labour market; and
- 258 local authority wards (LAWs) with a high ethnic minority population and high unemployment rate.

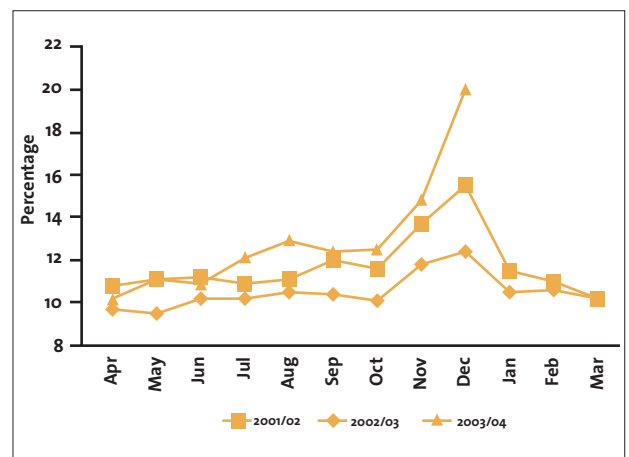
The additional points were designed to boost activity in specific wards and bring about increases in the number and share of overall job entries achieved by ethnic minority customers. Additional adviser posts were redistributed from other Jobcentre Plus districts into the districts that

housed the wards. Those districts were given an additional, more stretching, target.

How far have the changes worked?

The first research into the additional points system analysed nine months of the 2003/04 operational year, and was published in September 2004.⁵ Data limitations and the short period of operation covered mean that no definitive statements can yet be made on impact. However, a number of findings are consistent with the idea that additional points are positively associated with job entry performance. For example, the research found an improvement in terms of the share of the 258 additional points wards in national job entries, shown in **Figure 3.1** below.⁶

Figure 3.1: Percentage share of national job entries achieved in additional points wards



The research also found that a range of additional activities⁷ – such as outreach work, providing specific help for specific types of clients, working with employers and building local partnerships – had been undertaken in response to the additional points, and were helping to raise the profile of Jobcentre Plus with external partners.

This type of activity had been more prevalent in the ward target areas than the district targeted areas. The Policy Studies Institute (PSI) felt that this was partly due to a requirement that Jobcentre Plus districts put together action plans for the use of the additional resource, and partly due to the smaller areas allowing easier targeting of activities.

4. The Performance and Resources Agreement is an agreement between DWP and Jobcentre Plus on how resources will be spent over the operational year and includes points targets for the number of job placings that will be achieved.

5. The Policy Studies Institute, Leeds Metropolitan University, working with Jobcentre Plus Analytical Division, 2004.

6. Note: this does not take into account trends in relative share of customer base.

7. See footnote 5 above.

3. Connecting people to work (continued)

But for the policy of directing resources and targets towards wards with high ethnic minority populations to contribute best to the PSA target to narrow the employment gap, there needs to be an equitable share of jobs for ethnic minorities in the targeted wards.

The PSI study showed that Jobcentre Plus was closer to achieving parity⁸ for ethnic minorities in the additional points wards than the rest of the country wards and the LADs were achieving 95 per cent parity of outcome between July and December 2003 compared with 86 per cent in the rest of the country wards and the 30 LADs with the poorest labour market position. This would tend to suggest that Jobcentre Plus does better when focusing on areas with higher ethnic minority populations.

Despite being close to achieving parity in the targeted wards, national parity has not been achieved: ethnic minorities in Great Britain achieved 84 per cent of the job outcomes of white customers in the January to March 2004 quarter.⁹ Latest data on individual programmes¹⁰ shows that, at a national level, ethnic minorities on the New Deal for Young People achieved only 75 per cent of the jobs of white people, while the New Deal 25 plus and New Deal for Lone Parents came slightly closer to parity at 86 per cent and 85 per cent respectively.

Parity of performance is affected by the fact that ethnic minorities live in areas of lower job outcome performance. Even if we had parity of outcome in every Jobcentre Plus district, there would still not be national parity of outcome without an associated increase in overall performance in the high ethnic minority areas. Indeed, most districts already achieve far closer to parity than the national figures. On New Deal 25 plus districts, on average, exceed parity. Of course, job outcomes are also affected by employer discrimination and other factors not always in the control of Jobcentre Plus.

Achieving national parity in overall Jobcentre Plus performance, and in individual employment programmes, will require a large increase nationally in jobs for ethnic minorities relative to white customers. We may, therefore, need to examine how far Jobcentre Plus can increase even further the overall proportion of clients getting jobs in the target areas. This might be to a level where, with parity of outcome in the individual districts, parity of outcome is achieved nationally. A research project on Jobcentre Plus and ethnic parity has been commissioned in order to examine these issues (see panel on next page).

While Jobcentre Plus is not solely responsible for raising the ethnic minority rate, it has an important part to play. Therefore, Jobcentre Plus will seek to improve its own contribution to the employment rates in the ethnic minority wards. For example, Jobcentre Plus did not achieve the additional target points set in 2003/04 in the 36 districts that contained the target wards. There is therefore a need to ensure that there is a balanced target to resource ratio set to enable this to happen.

Over the last two years, a lot of work has been done to embed best practice and lessons learnt from other programmes – such as Action Teams and Employment Zones – which are seen to be successful among ethnic minority communities. These include increased encouragement to use the new powers of discretion and flexibility and, where possible, ensuring that the organisation's staffing profile better reflects the ethnic population profiles of the area it works in.

A further refinement has been made to the target structure. Using Census 2001 data, 272 wards were identified with higher rates of unemployment which more accurately identified where higher proportions of ethnic minorities lived.

Latest information on the new wards shows that the trend for a greater share of jobs may be continuing.

Additionally, in the first quarter of this year, districts with target wards had already achieved 30 per cent of the additional points they are required to achieve under the PRA targets.

It will be important to ensure that improvements in performance are maintained especially in areas such as London where performance is critical for ethnic minorities.

As an illustration, if performance in London were the same as the national average, it would result in 30,000 more jobs in a given quarter, or approximately 14,000 more ethnic minority jobs.

It will be equally important for performance in each of the New Deals, and in the *Building on New Deal* prototype areas, to improve overall performance for ethnic minorities. Jobcentre Plus has an objective for parity of outcome for New Deal and the Task Force will assist in developing the strategy to support the achievement of this.

8. Parity is measured by calculating the proportion of Jobcentre Plus ethnic minority customers who start a job, divided by the proportion of white Jobcentre Plus customers who start a job (1.0 or 100 per cent would be parity).

9. Source: Whitaker 2004.

10. Source: New Deal Evaluation Databases, leavers from April 2003 to March 2004. Parity is measured by comparing job outcomes for ethnic minority New Deal leavers with those for the White population.

Research project: Jobcentre Plus and ethnic parity

Jobcentre Plus is a key organisation in the labour market that can have a positive effect on the employment rate of ethnic minorities. Current Jobcentre Plus parity figures suggest that ethnic minorities do not achieve the same outcomes as their white counterparts. Therefore, in order to inform future strategies and policy making, to improve this situation the reasons for this difference need to be fully understood.

DWP is currently commissioning a research project to quantify the extent to which the ethnicity of a Jobcentre Plus customer influences their probability of gaining employment after taking into account other factors that are outside of the control of Jobcentre Plus. The focus will be on both overall Jobcentre Plus performance and for specific welfare to work programmes.

The research will be completed in summer 2005.

More help for those who have withdrawn from labour market activity

We have examined the extent to which achieving parity of outcome for ethnic minority Jobcentre Plus clients will impact on the ethnic minority employment rate and, in particular, the effect of achieving parity of outcome. To achieve parity of outcome will involve a large scale switch of resources into the areas of greatest ethnic minority population and a larger share of job placings coming from those areas.

In order to fill those job placings, Jobcentre Plus and its partners will need to look beyond Jobseeker's Allowance claimants. Chapter 1 showed the size of the ethnic minority working population who are not active in the labour market and explained some of the reasons for that inactivity. As with the overall population, providing assistance to inactive ethnic minority people is key to raising the overall levels of employment.

Often, the groups that experience the biggest levels of inactivity have the most severe levels of disadvantage. Previous work on the problems faced by ethnic minorities in the labour market¹¹ has found that Pakistanis and Bangladeshis, for example, have higher levels of

unemployment, economic inactivity, poverty and deprivation. Issues outlined in the Strategy Unit report are often substantial for these groups: language difficulties; levels of educational attainment and skills; family commitments; the younger age structure of the population; health and disability issues; low levels of social capital; disadvantage that comes with migration; racial prejudice; and employment discrimination.

Additionally, a sizeable proportion of the ethnic minority workless population are partners of either workless people or partners of people in employment. They have little, if any, contact with Jobcentre Plus services. It will be a challenge to reach those people through current programmes and services. As explained earlier, some of the current Ethnic Minority Outreach programme is doing good work to reach people who are out of the labour market. But Ethnic Minority Outreach is too small a programme to have a profound impact. Equally, the main New Deal programmes like New Deal for Young People, New Deal for Partners, New Deal for Lone Parents and New Deal for Disabled People, are so far having an important but limited effect. One of the reasons is the seeming lack of incentive for partners to seek help through the New Deal for Partners. Where the non-working partner is in a low-income family and not claiming benefits, there are few means of attracting them into the labour market.

DWP is examining whether they need to give additional incentives to people to participate in labour market activity. From 2005, they will be piloting the payment of a small amount to the non-working partner in a family on Working Tax Credit in areas of higher unemployment and higher inactivity. The payment is intended to cover the cost of searching for a job. This will help DWP promote participation in the New Deal for Partners. Although the payment will be for all people in the wards selected for the pilot, it will also help to test ways of helping some ethnic minorities who experience the greatest levels of inactivity.

11. Source: Heath and McMahon, 1997; Blackaby *et al*, 2002; Dustmann *et al*, 2002.

3. Connecting people to work (continued)

Developing beyond the Strategy Unit report

Jobcentre Plus has worked to improve its services to ethnic minority people, particularly by ensuring that its services are targeted in areas where they are most needed, and flexible enough to respond to the needs of ethnic minority clients.

But there is still room for improvement to ensure a further shift in the number and proportion of jobs going to ethnic minority areas. Jobcentre Plus's PRA target structure should continue to be refined to ensure that performance improves in those areas where there are high ethnic minority populations and high levels of unemployment, particularly in areas like London where performance is critical for ethnic minorities, and to ensure an equitable share of jobs for ethnic minorities in the target areas.

Barriers to employment outlined in the Strategy Unit report still exist, particularly for those ethnic minorities who are distanced from the labour market and considered economically inactive. These people still live in deprived areas with the associated employment, housing and transport problems described in the report. The challenge remains: to get the support and advice on work and training to reach these groups.

The Task Force will also be overseeing developments in two key areas not fully covered by the recommendations of the Strategy Unit:

- the need to reach ethnic minorities who are inactive in the labour market; and
- the need to link up existing delivery and build providers' capacity to deliver services to ethnic minority jobseekers.

Reaching ethnic minorities inactive in the labour market

As we have argued in this chapter, while Jobcentre Plus will continue to work towards achieving parity of outcome for its ethnic minority customers, this will not achieve a substantial narrowing of the employment gap. Since such a large proportion of ethnic minority people who are not employed are inactive in the labour market, a priority will be to find ways to help those ethnic minorities who, for one reason or another, are out of the loop of current employment help.

Jobcentre Plus is also looking closely at lessons learnt from Ethnic Minority Outreach, the flexible fund, its work with social housing providers and the voluntary sector for examples of new ways to build relationships with ethnic minorities who are currently not using employment services.

Further research is being commissioned so that policies designed to reach people who are inactive in the labour market are based on sound and accurate evidence. For example, we are seeking to examine the particular barriers to employment experienced by people from Pakistani and Bangladeshi backgrounds, who have the highest rates of economic inactivity.

Linking delivery and building capacity

As we know, people from ethnic minority communities can often face multiple barriers to employment, including barriers related to housing, and lack of skills. It is therefore important to examine ways to remove these multiple barriers by linking up the various delivery agencies that, individually, address these issues. The principle will be to bring together these providers so that, together, they have a greater capacity to connect ethnic minority people facing multiple disadvantages to employment opportunities. This can be achieved through a range of measures, including bringing service providers closer to employers and their staffing needs, and ensuring that different funding streams have the maximum impact for target groups.

The Task Force also recognises that the voluntary and community sector has an important role to play in our ethnic minority employment strategy in delivering services which focus on the differing needs of ethnic minority people disadvantaged in the labour market.

As part of the Spending Review 2004 Voluntary and Community Sector Review, the Government has been exploring the particular contribution that the voluntary and community sector makes to delivering and adding value to services to improve ethnic minority employment and will be publishing a strategy in the autumn.

To support this, the Chancellor recently announced that £90 million will be available over the Spending Review period to fund projects that build new partnerships and generate valuable lessons for public service delivery. Employment for people from ethnic minorities is one of the six areas that have been identified for priority funding.

4. Equal opportunities in the workplace

Summary

The Strategy Unit report found that some people from ethnic minority groups face employer discrimination . . .

And it recommended that action should be taken to raise awareness of discriminatory practices, and to ensure that both employers and employees are supported in tackling discrimination and harassment.

Over the past year, the Task Force has overseen developments in this area by:

- creating a revised Code of Practice in Employment;
- increasing the support available to employers through ACAS; and
- issuing guidance on race equality issues in procurement.

Procurement is a potentially powerful level for promoting race equality . . .

Action in this area includes the Task Force chair requesting information from all major government departments on ways they are using procurement currently; work with the Sustainable Procurement Group; and Supplier Diversity Pilots.

The Government is seeking to provide advice and support to employers to help build diverse workforces, including through:

- the Fair Cities initiative, which builds on international examples of employer-led best practice;
- the CRE's Guide for Small Business; and
- Jobcentre Plus's Specialist Employment Advisers.

In addition to providing guidance and support, the Government is seeking to ensure compliance . . .

Including by extending the powers of the Employment Tribunals and through the CRE's Code of Practice in Employment.

The Government is also looking to improve its understanding of employer discrimination issues . . .

Including through a range of research projects that cover areas such as the DTI-led survey of race-related Employment Tribunals.

The Task Force will oversee further developments in three key areas:

- strengthening guidance into action;
- exploring issues of progression and pay, including within government; and
- encouraging business to take a leadership role.

This chapter examines the ways in which the Government has responded to the Strategy Unit's recommendations on developing equal opportunities in the workplace. The Strategy Unit report recognised the persistence of employer discrimination as a barrier to labour market success for some ethnic minorities, and set out actions to raise awareness of discriminatory practices, and to ensure that employers and employees are supported in tackling discrimination and harassment.

Discrimination and harassment on grounds of ethnicity refer to specific types of behaviour:

- direct and indirect discrimination, where someone is treated less favourably than others in similar circumstances, either overtly, or as a result of more subtle inequality; and
- harassment, when unwanted conduct violates the dignity of an individual.

Strategy Unit recommendations

The Strategy Unit report recommended that Government should take action to build the capacity of employers and employees to tackle discrimination and harassment, and to ensure greater consistency across the number of discrete measures already in place. Specifically, the Strategy Unit report recommended:

- updating CRE's Code of Practice in Employment;
- monitoring the patterns and trends in Employment Tribunal cases brought on grounds of racial discrimination and ensuring that Government acts on the findings;

- building the capacity of agencies such as the Advisory, Conciliation and Arbitration Service (ACAS) and Jobcentre Plus to offer information, support and guidance to employers; and
- issuing comprehensive and clear guidance on promoting race equality through public procurement.

Progress and success

The table below shows the Task Force's progress over the last year in terms of carrying out the Strategy Unit's recommendations. Of the 11 recommendations within the Equal Opportunity strand of the strategy, nine were due for completion by autumn 2004, and one recommendation – 18 – is not due for completion until 2006. Of the nine due for completion, six have been completed in full while the remaining three are not yet met; in particular, there is considerable slippage on the recommendation relating to publishing data on repeat offenders at Employment Tribunals. This is due to problems capturing the data on existing IT systems.

	Recommendation	Lead	Timing	Progress
17	Employer information, support and guidance should be enhanced through: <ul style="list-style-type: none"> i) ACAS building the capacity of its Race Relations Advisory Service; ii) Jobcentre Plus being proactive in delivering information/advice to employers; iii) CRE disseminating best practice in the implementation of the Race Relations (Amendment) Act (RR(A)A); and iv) SBS raising awareness among small business owners about the importance of race equality. 	DTI, ACAS, DWP and SBS	<ul style="list-style-type: none"> i) Q1/2004 ii) Q1/2004 iii) Q1/2005 iv) Q1/2004 	<p>Met.</p> <p>The number of ACAS Diversity Equality Advisers has increased from 13 to 21.</p> <p>Specialist Employment Advisers have been introduced in Jobcentre Plus.</p> <p>The CRE Guide for Small Business was launched in March 2004.</p> <p>SBS issued general race equality guidance in December 2003.</p>
18	DTI and DWP should conduct an independent review of how to strengthen information and support offered to employers.	DTI and DWP	Q2/2006	<p>Not yet due.</p> <p>A working group has been set up to scope the review.</p>

continued

4. Equal opportunities in the workplace (continued)

	Recommendation	Lead	Timing	Progress
19	CRE should update its Code of Practice in Employment.	HO and CRE	Q1/2004	Not yet met. Public consultation completed. Revised code will be submitted to Parliament in January 2005. Likely to come into force on 1 October 2005.
20	CRE should examine the options for high-profile award and recognition schemes.	HO and CRE	Q4/2003	Met. Review paper discussed at CRE private sector committee and way forward agreed June 2004.
21	DWP and National Employment Panel (NEP) to examine feasibility of using employer Job Opportunity Compacts to raise levels of labour market achievement.	DWP and NEP	Q3/2003	Met. NEP commissioned international research that identified examples of best practice in employer-led action to increase employment and retention rates for ethnic minority jobseekers. Following on from this research, DWP has secured £3.7m funding over two years from April 2004 for the Fair Cities initiative, which is led by NEP and Jobcentre Plus. It will establish local projects to be delivered through locally owned and designed boards in three pilot locations.
22	Identify patterns and trends in Employment Tribunal cases by: i) collecting and publishing data on repeat offences by specific employers; and: ii) mandating Tribunal Presidents to monitor racial discrimination cases and report findings to the Secretary of State at DTI.	DTI	i) Q2/2004 ii) Q4/2004	Not yet met. Definition of repeat offences agreed, but do not expect to produce first report until 2006 due to IT problems. Presidents mandated from March 2004. First report due to be published May 2005.
23	DTI to carry out review of tackling systemic employer racial discrimination.	DTI	Q4/2004	Not yet due. Consultation with stakeholders began September 2004, with a final report due June 2005.
24	DWP and DTI to develop research programme to improve understanding of racial discrimination and harassment in the labour market.	DWP and DTI	Q4/2003	Met. Research programme under way.

continued

	Recommendation	Lead	Timing	Progress
25	CRE to examine ways to make greater use of its general enquiry powers.	HO and CRE	Q4/2003	Met. CRE consulted on and finalised its new legal strategy, including general (non-named) enquiry powers in 2003. Includes underlying patterns of discrimination to inform enquiries. General investigation on employment matters into the police service commenced in 2004, interim report was published in June 2004.
26	CRE, in consultation with HO, OGC and ODPM, to produce and disseminate guidance on race equality issues in public procurement. Ensure guidance, including upcoming Sustainable Procurement Group guidance is consistent.	HO, CRE, OGC and ODPM	Q2/2004	Met. CRE guidance was issued July 2003. It included a guide for suppliers produced with the CBI. CRE held dissemination events between July and September 2004. Sustainable Procurement Group guidance due December 2004.
27	HO and CRE to commission research to assess the effectiveness of awareness campaigns, including how to design, implement and evaluate them.	HO and CRE	Q4/2003 Q2/2004	Not yet met. Research specification agreed and tendered. Will be completed by March 2005.

Overall, good progress has been made on enhancing the advice and support available to employers. For example, CRE has issued procurement guidance, ACAS has increased the size of its race and equality adviser network, and Jobcentre Plus has introduced Specialist Employment Advisers. Less progress has been made on enhancing the compliance and enforcement framework.

The Employment Tribunal Service (ETS) has agreed how repeat offences should be defined, but data will not be available until 2006 due to IT problems. Presidents of Tribunals have been mandated to collect information on discrimination cases, but a full year's worth of data will only be available for 2004/05 and is expected to be published in May 2005.

Using procurement to tackle inequality

The Strategy Unit report identified public procurement as a potentially powerful lever to promote race equality in the private sector, using government's significant

spending power (over £109 billion a year, including over £42 billion spent by local authorities) to promote equality and inclusion. The report quotes examples, both nationally and internationally, of ways in which procurement is used to promote race equality and presents evidence of the positive effect that this has had on employment of ethnic minorities.

There is scope, within the existing legal and policy framework, for government departments to incorporate race equality into procurement. The Strategy Unit recognised, however, that there was still some confusion among procuring authorities as to what measures may be taken to promote race equality via the procurement process.

The Strategy Unit report, therefore, recommended that clear and comprehensive guidance be produced in order to increase the confidence of public authorities in using procurement to promote race equality.

4. Equal opportunities in the workplace (continued)

Commission for Racial Equality guidance on procurement

In July 2003, CRE published its guidance on race equality for public authorities, produced in consultation with the Office of Government Commerce (OGC), the Home Office, ODPM and the DTI. In addition, they published two supplementary leaflets, one of which was a guide for potential bidders for public contracts produced in partnership with the CBI.

The guides outline what can and cannot be done to incorporate race equality into each stage of the procurement process, and include a framework for action, suggested outcomes, and sample questions to be put to potential contractors.

Sustainable Procurement Group

The Sustainable Procurement Group (SPG) is a cross-departmental group of procurement specialists and sustainable development specialists. It is jointly run by the Department for Environment, Food and Rural Affairs (Defra) and OGC. The SPG aims to examine ways in which government procurement can be used to support sustainable development, and to provide guidance to clarify the issue.

The SPG has identified the need for a guidance note to be issued to departments on what can be done at each stage of the procurement process to incorporate social issues – a broad term encompassing equality, fair and ethical trading, promoting entrepreneurship and regional development, and improving basic skills – into contracts.

The note will explain what action can be taken to achieve these aims through government contracts for goods and services with private and voluntary sector bodies.

The SPG is developing the note and intends to publish it by the end of 2004. The note will outline how and at what point in the procurement process to include issues such as race equality, for instance, what sort of requirements can be included in a specification, and whether an employer's record on equality can be taken into account when selecting tenderers. Race equality issues, including the requirements of the Race Relations (Amendment) Act (RR(A)A), will be included in the guidance note. This guidance will largely address the Strategy Unit report's recommendation.

The Strategy Unit report's clear intent, however, was to increase the use of procurement to promote race equality. As a result, the Task Force has agreed that exploring the

use of public procurement to promote race equality in the workplace should be a priority for the Government. Officials from DWP and the Home Office are working with OGC, CRE and other government departments to take this forward.

Establishing extent of existing activity

The Task Force has agreed to drive work to promote race equality in procurement. It has recognised that guidance will not bring about sufficient change on its own and there is a need to do more to bring about real change. Initially, it was decided to carry out a baselining exercise to develop a clear understanding of current activity in this area.

In May 2004, the Task Force requested information from all government departments on current activity relating to race equality in procurement. Responses have demonstrated that many departments have already taken action to ensure that their procurement processes address race equality issues, and that several had used CRE's guidance to assist them.

While departments were largely positive about the principle of using procurement in this way and several were already incorporating the RR(A)A requirements into their procurement procedures, the responses also identified the need for:

- a cross-Whitehall guidance note from OGC clarifying policy on what can be done to use procurement to further race equality;
- clarification of the scope of the general duty set out in the RR(A)A; and
- guidance to ensure that European Union (EU) rules on value for money are not broken.

Clarification of the Government's position regarding what can and cannot be done to promote race equality in procurement, including EU rules, will be addressed in a note to be issued from the SPG before the end of the year.

We recognise that guidance will not in itself produce change and the SPG would not be expected to ensure compliance. The priority in the next 12 months for the Task Force will be to seek to encourage departments to sign up to implementing the recommendations of the SPG and CRE guides as far as possible.

We are therefore:

- developing a business justification to link race equality in procurement to departmental drivers;
- agreeing a framework for action, based on CRE and SPG guidance, that departments are committed to implementing; and
- developing a set of measures to monitor whether progress is being made.

Supplier Diversity Pilots

As well as ensuring that procurement processes and government contracts include equality considerations, making government business available to small businesses and ethnic minority-owned businesses is also a priority. Small businesses can be more flexible and innovative and, in the case of ethnic minority businesses, can bring specialist knowledge of and access to ethnic minority communities.

A review by the Better Regulation Task Force and the Small Business Council found that small and medium-sized enterprises (SMEs) tend to face barriers to winning government contracts. Parallel research undertaken by the Ethnic Minority Business Forum found that ethnic minority businesses also face specific barriers when bidding for government business. In response, DTI's SBS and the OGC established two Supplier Diversity Pilots to examine and address these barriers.

The pilots were aimed at all small businesses, but were located in areas with high ethnic minority populations (London Borough of Haringey, and the West Midlands). They aimed to make government contracts more accessible to SMEs, and to simplify the tendering process.

Removing tender barriers for SMEs: West Midlands Procurement Pilot

The West Midlands Procurement Pilot aimed to:

- simplify the mechanism for SMEs to find out about and bid for government opportunities; and
- streamline the procurement processes to provide a simpler and more cost-effective approach.

The project had five workstreams, namely:

- establishing a baseline of the current position;
- making government opportunities more accessible;
- making the process simpler;
- engaging stakeholders; and
- evaluating outcomes.

The pilot produced the following results:

- over 200 training places filled for SME workshops on doing business with government;
- development of a standard pre-qualification questionnaire;
- 10 large suppliers primed to open up their supply chain to ethnic minority businesses; and
- 73 contracts placed on a web portal for small businesses.

For full details see:

www.supplyinggovernment.gov.uk/pilot.asp

Advice and support for employers

The Strategy Unit report observed that “while some employers are well informed about diversity and discrimination issues, a significant number still have limited understanding and awareness” and that “they are also often unaware of the legal requirements”. The report made a number of recommendations to improve employers’ knowledge and understanding in this area through improved advice and guidance.

Government interacts with employers through a number of bodies: ACAS and the SBS, both agencies of the DTI, Jobcentre Plus and CRE all provide advice and/or guidance to business.

4. Equal opportunities in the workplace (continued)

ACAS

Over the past year, ACAS has built its capacity to offer good practice advice and support to organisations on race equality workplace issues. ACAS is increasing the numbers of field equality advisers who form part of its regional network of employer support. Even allowing for recruitment and training of new advisers, they are currently engaged with over 200 businesses nationwide providing practical guidance on developing equality and diversity policies and practices.

The ACAS Equality Service in the Northern Region

Working with Yorkshire Forward, ACAS advisers in Yorkshire and Humberside are promoting the benefits of equality and diversity in the workplace to small businesses in a number of deprived wards.

To date, the project has engaged with 57 companies, and aims to involve a further 43 employers by spring 2005. Of the 57 companies currently working with ACAS and Yorkshire Forward, ten have received more focused, in-depth support to build their capacity to implement robust equal opportunity practices. The project aims to increase the number of employers receiving this in-depth guidance to 40 by the end of March 2005.

Specialist Employment Advisers

Jobcentre Plus liaises with 450,000 employers nationally and takes over 13,000 vacancies a day. As part of the drive to give employers access to a wider and more job-ready pool of potential employees, it has expanded its role to promote the business case for diversity to employers. Specialist Employment Advisers (SEAs), who were introduced in 2004, offer support and practical advice to employers on race equality issues, and work with them to develop ways to ensure that their recruitment practices reach a diverse range of potential employees.

Thirty-nine SEAs are now in post. Of these, nine work in the London area; five operate in Birmingham, Leicester, Manchester and Bradford; and a further three work in both Nottingham and in Wolverhampton. In order to ensure that each SEA develops an understanding of the particular needs of the areas they serve, they have undertaken intensive local and national induction training. Local delivery plans and Performance Partnership Agreements support an overarching business plan, and in each area Jobcentre Plus has identified target employers and community groups.

In Leicester, SEAs secured 100 vacancies through an employer contact made at a Mela festival. Manchester's SEAs are engaging, particularly, with the Somali community in their local area.

The Fair Cities initiative

The Strategy Unit noted the importance of cross-sectoral leadership in promoting equality in organisations and areas, a theme later reflected and expanded on in the IPPR business-led Task Force report *Race Equality: the Benefits for Responsible Business*, which made recommendations for both business and government. The Strategy Unit highlighted evidence, from countries such as the USA, that compacts between employers and public authorities to take measures to employ people from disadvantaged groups, such as ethnic minorities, have often been successful. They recommended that the feasibility of similar compacts be examined and that trials should be run in cities with the highest concentrations of ethnic minorities.

DWP's National Employment Panel (NEP) recently commissioned international research to identify and analyse local employer-led initiatives that have succeeded in helping disadvantaged ethnic minorities to secure and sustain employment. In March 2004, the NEP published the findings of its research in its report *Fair Cities: Employer-led efforts that produce results for ethnic minorities*.

The NEP identified five elements that were key to the success of the employer-led initiatives analysed in the report:

- employer leadership and strategic direction;
- local infrastructure and capacity to mobilise and support partnerships;
- responsiveness to employer demand and business needs;
- customised services that help ethnic minorities to succeed; and
- commitment to effective monitoring.

NEP developed these into a Fair Cities framework, designed to encourage UK employers to adopt the best practice set out in the report. The NEP is currently working with local stakeholders in Birmingham, Bradford and Brent to develop the framework into a series of pilots.

It seeks to achieve this through the establishment of Fair Cities boards comprising business and community leaders, together with key public sector officials. Each board will lead the implementation of locally-owned initiatives that translate into action the five key principles set out in the Fair Cities report. The pilot initiatives will be tailored to address the specific barriers faced by ethnic minority communities in each local area, but will also aim to meet the business and recruitment needs of employers.

Small and medium-sized enterprises

SMEs (those employing fewer than 250 people) account for over half the people employed in the private sector (58 per cent). It is recognised that they face different challenges from large private and public sector organisations in achieving equality. To that end, specific services and guidance are available to small businesses to help them meet and go beyond their legal obligations on race equality.

The Business Link website (www.businesslink.gov.uk) contains guidance on recruiting a diverse workforce as well as information on the business case for diversity. The ACAS website also has extensive guidance on equality. Details of the expanded ACAS Equality Service are discussed earlier in this chapter.

CRE's Guide for Small Business

In March 2004, CRE launched its CD-ROM guide at the Federation of Small Businesses conference. The guide, which provides advice on race equality issues specifically for businesses employing fewer than 250 people, was produced in consultation with the DTI and the Federation of Small Businesses, and was sponsored by HSBC. One hundred thousand CD-ROMs were produced and over 44,000 electronic versions have been downloaded from the CRE website.

Future work to engage and advise employers

Since the Strategy Unit report was published, the infrastructure and guidance to help employers who want to achieve equality and diversify their workforce has improved. Through our advisers and representative bodies, we plan to further improve knowledge of and commitment to equal opportunities.

For DTI, this will be by developing a strategy to make greater use of its current links with employers and their representatives to encourage them to make race equality a priority and to put across the business benefits of racial diversity. Specifically, this will involve:

- using DTI's Business Support Advisers to persuade business of the benefits of having robust race equality measures in place;
- demonstrating to business, especially SMEs, how they could become the preferred supplier by having robust equality measures in place; and
- encouraging key business leaders to recognise the importance of equality of opportunity in the workplace, and to use their positions of leadership to motivate action. This strand of work has come partly out of the IPPR business-led Task Force report *Race Equality: the Benefits for Responsible Business*, which recommended that business leaders make a clear commitment at board level to achieving equality in the workplace and to drive change through the organisation.

Jobcentre Plus will increase its capacity to help employers diversify their workforces through the use of SEAs, and examine how this can be translated into best practice.

The NEP advises ministers from an employer perspective on labour market policies, and prioritises its agenda on improving opportunities for ethnic minority communities, as demonstrated by its five-year commitment to the Fair Cities programme. Through its Minority Ethnic Group, NEP also regularly gives race equality advice and technical support to Jobcentre Plus, and is a key vehicle for contributing employer-led input into the work of the Task Force.

In addition, DTI and DWP are working together to develop measures that could be used to:

- incentivise businesses to adopt equality measures (perhaps through fiscal incentives or accreditation awards); but also to
- examine ways to prevent business from being discriminatory (ETS, CRE, etc).

4. Equal opportunities in the workplace (continued)

Ensuring compliance

Many businesses are committed to equality. Some have well-embedded policies and plans, while others are still at an early stage and need advice and support as mentioned previously. Some employers, however, do not see a case for action and risk acting in a discriminatory fashion to existing or potential employees. The Strategy Unit report considered ways to address this issue through enhancements to the powers available to enforce the law on discrimination. This includes the ETS and the CRE's powers of investigation, and in particular how to use them more actively. The report also looked at what alternative incentives were possible, for instance through public procurement, which we have discussed in some detail earlier in this chapter.

Expanding Employment Tribunal powers

DTI is working with ETS to identify how patterns and trends of discrimination are noted and reported. However, there have been continuing problems classifying the term 'repeat offender', particularly with regard to multinational businesses and those with multiple branches and organisations.

CRE's Code of Practice in Employment

CRE has reviewed its Code of Practice in Employment, incorporating new regulatory provisions such as the RR(A)A (which applies to public bodies) and the 2003 (Amendment) Regulations which incorporate new EU Directives. The new code seeks to provide updated and accessible advice to employers, Employment Tribunals and the public on the steps that should be taken to meet the requirements of the RR(A)A.

The Code of Practice is guidance – but it also has a role to play in the enforcement process. Failure to follow the recommendations of the Code of Practice can be admissible in a tribunal.

Further research

The Strategy Unit report was able to identify a clear ethnic penalty through analysis of employment data, demonstrating a clear gap in earnings for Black and Asian employees even after other relevant factors (education, economic, environment, age, etc) are taken out. It was not able to account fully for the causes and make-up of this gap due to lack of evidence. The report therefore recommended that a programme of research be designed to assess the nature, causes and extent of discrimination in the workplace, as well as promising approaches to addressing it.

The report also recommended that reviews should be carried out into ways of strengthening support for business in:

- embedding race equality;
- combating systemic discrimination in the labour market; and
- researching the effectiveness of awareness campaigns.

Research project: Ethnic penalties and employers

The ethnic penalty refers to the size of ethnic differences, such as remuneration and success rates at interview, which remain once a large number of other characteristics, for example qualifications, have been taken into account. Like by like comparisons can then be made. Current research shows these differences to be stubbornly large. DWP commissioned researchers at Oxford University to carry out this work in March 2004.

The study builds on recent research and uses a much larger range of data than ever before, for example the Labour Force Survey, the Home Office Citizenship Survey and the British Social Attitudes Survey. It will examine the size of the ethnic penalty by industrial sector (for example, comparing the construction industry with the retail sector), by size of firm and sector.

We will be able to show, for each type of employer, the extent of ethnic penalties, ethnic minorities' experience of equal treatment, reported racial tensions and the self-reported racial prejudice of white co-workers.

The research will be completed in summer 2005.

DTI-led review of discrimination in the workplace

DTI is carrying out a review of tackling systemic discrimination in the workplace. This review is supported by a working group that is carrying out a series of consultations from September 2004 to March 2005. The group will also examine the scope for tribunals to make general recommendations based on issues raised in the course of a case.

Current research on workplace discrimination

DTI and DWP have an active research programme on workplace discrimination and related issues. These projects include:

- **ethnic penalties in the labour market – employers and discrimination:** a study of ethnic penalties using a number of large datasets, including the Labour Force Survey for 1994 to 2003, the Home Office Citizenship Survey 2001 and other sources;
- **job interviews, ethnicity and disadvantage:** a study of the interaction that takes place in job interviews to determine how employers evaluate candidate performance;
- **testing for employer discrimination:** an analysis of the differences in success of white and ethnic minority jobseekers in filling job vacancies notified by employers to Jobcentre Plus;
- **fair treatment at work survey (FAWS):** a pilot survey undertaken with the ONS of employees' experience of discrimination in the workplace;
- **survey of employment tribunal applications (SETA):** a secondary analysis of application data from SETA 2003 to provide a systematic mapping of the ethnic dimension across all jurisdictions;
- **follow-up survey of race discrimination cases:** a new SETA will be undertaken of cases that include a race discrimination claim. This will allow an analysis of the factors associated with case durations and outcomes in race discrimination cases; and
- **review of judicial decisions in race discrimination cases:** this study will provide a review of judicial decisions in race discrimination cases to be carried out by an academic or labour law specialist.

Developing beyond the Strategy Unit report

It is important that government develops beyond the requirements of the Strategy Unit report, in order to ensure that ethnic minority people do not face discrimination either when seeking employment, or when seeking to progress within their job.

The Task Force will oversee developments in three key areas:

- strengthening guidance into action;
- exploring issues of progression and pay, including within government; and
- encouraging business to take a leadership role.

The Strategy Unit report recommended that the Government should provide clear guidance on ways in which procurement can be used to tackle racial inequality in the workplace. An important issue will now be to find ways to ensure that this guidance is both used and followed by employers, representative organisations and procurers.

Some ethnic minority people continue to face discrimination when applying for jobs – but evidence suggests that barriers also exist to pay progression and professional development at work. The Government will look at ways to tackle this issue, in line with the Strategy Unit's assertion that rates of earnings – in addition to rates of employment – should be a measure of the ethnic minority employment strategy's success. This will also be a key issue for Government as an employer: as the first chapter of this report demonstrates, ethnic minorities are generally well-represented in the lower grades of the civil service but the senior grades are less representative.

The Government will also look to ensure that businesses take on a leadership role in the development and implementation of ways to tackle discrimination. The Task Force has a particular role to play here, since it brings together government departments and the CBI, TUC and CRE.

5. Partnership working

Summary

The contribution of stakeholders from beyond government ensures that the Task Force is outward looking and sensitive to the interests of diverse constituencies.

- The CBI, TUC and CRE are full partners and active participants in the work of the Ethnic Minority Employment Task Force.
- A Stakeholder Group provides the Task Force with an effective forum for consultation and actively works alongside the Task Force to provide advice and information on current issues and key decisions. The Chair of the group is a full member of the Task Force and represents the views of the group at meetings.

The CBI, CRE and TUC provided input on the first year of the Task Force:

- CBI said: “We are keenly aware of the importance of raising the employment levels of people from ethnic minority groups, and support the Task Force’s objective that people from ethnic minority groups should no longer face disproportionate barriers to achieving success in the labour market.”
- TUC said: “We welcome the Strategy Unit report as a major step forward in breaking down the barriers faced by ethnic minority people in the world of work. The establishment of the Task Force, and the level of active ministerial involvement, are practical expressions of the Government’s commitment to racial equality.”
- CRE said: “Our main concern is to ensure that the Task Force goes beyond well-meaning words and aspirations, and contributes to developing a culture in which employment opportunities are based on merit, not race, and in which people are treated with respect and dignity.”

The Stakeholder Group meets regularly, working groups have been established and a Task Force website set up:

- Nahid Majid, Chair of the Stakeholder Group said: “The importance and value of this group has not only been recognised by the Government through its ministerial Task Force, but most importantly by the level of support to the establishment of the Stakeholder Group from a wide range of individuals and organisations.”

The Scottish Executive oversees a range of measures designed to improve the employment experience of ethnic minority people in Scotland...

- Including by working in partnership with bodies such as the Scottish Trades Union Congress, and with DWP.

The Strategy Unit report recognised the importance of developing effective partnerships between government and stakeholders in the effective delivery of recommendations and in narrowing the employment gap.

The Strategy Unit recommended that:

‘For the recommendations to be delivered effectively, it is imperative that stakeholder departments, alongside critical departments outside government, work together.’

The Strategy Unit further added that:

‘The contribution of stakeholders from beyond government would ensure that the Task Force is outward looking and sensitive to the interests of diverse constituencies.’

This chapter sets out the work taken forward in the last year to engage stakeholder input into the cross-government strategy. This includes our key external stakeholders identified by the Strategy Unit: the CBI, TUC and CRE. However, it also takes account of a wide range of other stakeholders including community organisations and leaders, service deliverers, ethnic minority businesses and diversity specialists.

We have commissioned personal contributions from some of these stakeholders. The thoughts represent their views on progress so far and ideas for the future.

The CBI, TUC and CRE have been active participants in the work of the Task Force and have provided critical input on progress.

The CBI is represented by Dr Neil Bentley

Neil is Head of Skills and Employment at the CBI with responsibility for policy development in areas such as basic skills, vocational training, diversity, trade union relations, employee involvement and working time. Neil came to the CBI in 2002 from his role as European Employee Relations Consultant at EDS Ltd, the global IT services company. There, Neil had responsibility for advising on European employment law, managing relations with the EDS European Works Council, overseeing information and consultation processes, establishing a European diversity strategy and monitoring collective bargaining. Prior to EDS, Neil worked at Industrial Relations Services where he worked as a Writer/Researcher on European employment law and industrial relations issues. Neil’s doctorate focused on trade union attitudes to racial discrimination at the workplace.

Neil commented on behalf of the CBI:

“We are keenly aware of the importance of raising the employment levels of people from ethnic minority groups, and support the Task Force’s objective that people from ethnic minority groups should no longer face

disproportionate barriers to achieving success in the labour market.

“CBI members see the building up of basic skills and the eradication of discrimination in the workplace as key to attaining the targets that the Government has set itself. The current skills gap of ethnic minority groups must be addressed and employers should be able to access expert advice and dispute resolution.

“Employers need skilled staff in order to compete in a global economy characterised by rapid technological and organisational change. We are concerned that ethnic minorities in general have lower skill levels and may, therefore, be less employable in a changing labour market. This in turn reduces the pool of skilled labour from which business can recruit.

“We welcome the Government’s progress in tackling poor basic skills through its Skills for Life strategy. We recommend that the Government should build on this flexible approach, with a particular view to improving the skills of those ethnic minorities with relatively low levels of qualifications.

“Employers are firmly committed to promoting equal opportunities, but do not always know where to turn for advice. Providing guidance on equality issues is vital if Employment Tribunals are to be avoided, and the Government’s targets on ethnic minority employment are to be met. We welcome the Strategy Unit report’s recommendation that ‘the RREAS service is valuable, and should be expanded and promoted’. Both RREAS and ACAS are increasingly valued by employers as reliable and accessible sources of advice and guidance on race equality issues, and have had considerable success in the avoidance of tribunals.

“We believe that more should be done to attain greater clarity for public bodies on the use of procurement to promote equal opportunities. The separation between the public and private sectors is increasingly blurred, and the Race Relations (Amendment) Act has indirectly affected thousands of private sector employers as a result of the public procurement process. It is vital that business is able to contribute to the promotion of equality of opportunity in this sphere from an informed standpoint.

“The foundations laid by the Task Force during its first year must be built upon in order to achieve tangible results in the campaign to deliver equality of employment for people from all ethnic backgrounds.”

5. Partnership working (continued)

The TUC is represented by Leslie Manasseh

Leslie Manasseh is Deputy General Secretary (DGS) of Connect. Leslie was previously Director of Organisation and has worked for Connect and its predecessor organisation, the Society of Telecom Executives (STE) since 1986.

He has been a trade union official since 1981 when he started working for the Society of Civil and Public Servants as an organiser. Leslie has been responsible for developing and implementing an organising strategy in Connect; developing new services to increase members' employability and developing a more focused communications strategy which included relaunching the union as Connect in 2000.

As DGS he is responsible for co-ordinating the union's organising and bargaining work and its work on members' skills and career development. He is a member of the TUC General Council and its Race Relations Committee.

Leslie commented on behalf of the TUC:

"We welcome the Strategy Unit report as a major step forward in breaking down the barriers faced by ethnic minority people in the world of work. The establishment of the Task Force, and the level of active ministerial involvement, are practical expressions of the Government's commitment to racial equality.

"We also welcome the establishment of the Stakeholder Group. It adds significantly to the credibility and legitimacy of the decision making process, and is a very useful way of harnessing the expertise and experience of a wide range of organisations.

"Building employability, connecting people with work and creating equal opportunities in the workplace together constitute a formidable challenge – and we understand the limits of government action. Developing public policy, targeting resources and using a mix of encouragement and enforcement will be fully effective only where they succeed in changing the behaviour of the organisations and institutions of civil society.

"Developing equal opportunities in the workplace is a key area of interest and concern. We particularly welcome recommendations 17–27, which provide a clear basis for tackling racial discrimination in the workplace. There has been a significant amount of progress in relation in particular to the updated CRE Code of Practice in Employment. Alongside this, the work of ACAS, the Employer Diversity Managers and the Specialist

Employment Advisers can together promote greater understanding of race equality among employers.

"One area that has seen rather less practical progress as yet is the recommendation to use public procurement to promote race equality in the workplace. Evidence from both the US and UK shows this to be effective in mainstreaming race equality. Although recognising the complexity of this issue, we believe it to be a fundamental means of leverage and look forward to real progress over the next year.

"The high quality of the research into educational achievement across ethnic minority groups will enable the Task Force to measure progress in narrowing the achievement gap. We are aware that a number of programmes designed to close the gap are already in place, and that a further mix of appropriate targets, funding arrangements and the use of school inspections is being planned. Of particular concern to us is the importance of involving ethnic minority communities and parents in developing efforts to improve the educational achievement of ethnic minority pupils.

"We recognise that one of the greatest challenges is to overcome barriers to employment associated with deprived areas. We support the efforts of Jobcentre Plus in this area, and recognise that employers must actively engage with Jobcentre Plus programmes to guarantee their success.

"Over the coming year, the Task Force should focus on outcomes not process. It would be all too easy to measure activity rather than impact. Making a tangible difference to the experience of ethnic minority people and communities is the only genuine measure of success. We are very pleased to have played an active role in the work, and remain committed to continuing to support the Task Force both directly, and by our activities in the wider world of work."

The CRE is represented by Trevor Phillips

Trevor has been Chair of the CRE since 2003. He was educated in the Caribbean and England. While completing his degree he became involved in the National Union of Students (NUS) and was elected President of the NUS in 1978. After leaving university, he started his career in television initially as a Researcher at LWT rising to become the Head of Current Affairs.

Throughout his adult life he has been involved in campaigning on equality issues. Trevor has combined his

career in the media with voluntary work. He has been Chair of the Runnymede Trust and Chair of the NHS Inequalities Task Force. He is a Council Member of the Royal Television Society. Trevor is a trustee of the Bernie Grant Centre and of the Ethnic Minorities Foundation. He is on the Council of Ethnic Minority Voluntary Organisations. Trevor was elected to the Chair of the London Assembly in May 2000.

Trevor commented on behalf of the CRE:

“With this vibrant economy has come a steady and continual decline in unemployment figures, which is now at an all time low. But this increased economic prosperity has not reached all ethnic minority communities: at each indicator of labour market achievement, significant levels of disparity persist. This is not only unacceptable, but economically inefficient.

“We therefore welcome the findings of the Strategy Unit report and its recommendations, and the opportunity it provides for government, private and voluntary sector organisations and employers to tackle the discrimination and disadvantages ethnic minority communities face.

“As Chair of the CRE, I have been a member of the Task Force since its inception in September 2003. Through the Task Force, CRE has advised government departments and worked closely with the Department for Work and Pensions and the Home Office to give effect to these recommendations.

“Our main concern is to ensure that the Task Force goes beyond well-meaning words and aspirations, and contributes to developing a culture in which employment opportunities are based on merit, not race, and in which people are treated with respect and dignity.

“It is therefore paramount that the results of action taken to implement the Strategy Unit report’s recommendations into practice are properly evaluated, and that the monitoring data shows no significant ethnic disparities in employment/unemployment rates; earning levels; occupational attainment; and levels of self-employment.”

Stakeholder Group

Another important initiative this year was the establishment by the Task Force of a Stakeholder Group. The group will add value and expertise to the work of the Task Force.

Uniquely, the group will provide a direct access point to and from the Task Force for the views of ethnic minority

communities, experts and those responsible for taking forward local and regional initiatives, including representatives from devolved areas of government in Scotland, Wales and Northern Ireland.

It will provide the Task Force with an effective forum for consultation and actively work alongside the Task Force to provide advice and information on current issues and key decisions.

The Stakeholder Group will provide constructive and challenging feedback. This will help to ensure that the Task Force operates inclusively, and that the ethnic minority ‘voice’ is integral to the strategy.

Following a successful launch in April, the group is meeting regularly before Task Force meetings. It has a growing membership. You can join and find contact details through the Task Force website: www.emetaskforce.gov.uk

The group meets normally on a quarterly basis. Separately, three thematic working groups (Building employability, Connecting people to work, and Equal opportunities in the workplace) have been established to look in more detail at progress on delivery, provide feedback and suggestions and put forward new ideas for consideration by the lead government departments.

All Stakeholder Group members are encouraged to get involved at whatever level their time permits.

Nahid Majid chairs the Stakeholder Group and represents their views at Task Force meetings

Nahid is Associate Director of Turner and Townsend (T&T), an international construction and project management company, and heads the Project Management Urban Regeneration Division. She joined T&T from the Prince’s Foundation. She was also previously seconded to the European Unit at the Government Office for London. She brings a wealth of experience of the private and public sector ranging from the Greater Ashford Development Framework and the Sustainable Communities Plan (creating 28,000 jobs and 31,000 homes), to high profile community projects such as the building of the Stephen Lawrence Centre in Lewisham. She is a member of London First Regeneration Task Force and the advisory Olympic Legacy Group. Nahid also serves on a number of voluntary, community and faith groups.

Nahid commented:

“The importance and value of this group has not only been recognised by the Government through its ministerial Task

5. Partnership working (continued)

Force, but most importantly by the level of support to the establishment of the Stakeholder Group from a wide range of individuals and organisations.

“The expertise and commitment of stakeholders has been overwhelming, and through this, we all recognised the need to work together to make the Stakeholder Group a real force for change.

“Many stakeholders, as I am, are committed individually to the group both in terms of time and energy. It has been encouraging to see a real debate taking place, and the many thoughts and concerns that were freely expressed in taking the group and the recommendations of the Strategy Unit report forward.

“There has been real support for the findings of the Strategy Unit report and its three main themes, in terms of lessons learnt within our own organisations and remits.

“As Chair of the group, I am looking forward to the exciting challenge of helping to make the Task Force a major force for change.”

Stakeholder working groups

The Stakeholder Group has set up three thematic working groups to cover each of the main areas of the Strategy Unit report. The group leaders have provided an initial contribution on the work being done in support of that theme by departments.

Building employability

Symon Sentain is the Stakeholder Group leader for the building employability strand. Symon is Executive Director of a company overseeing delivery of a £200 million regeneration programme based in the East Midlands. Symon has worked in the field of regeneration for over ten years. Symon serves as a Trustee of the Stephen Lawrence Charitable Trust and is currently Chair of the Board of the Stephen Lawrence Centre. In this capacity, Symon is leading on the development of the Stephen Lawrence Centre – a purpose-built centre of excellence, which will offer mentoring and bursary programmes, as well as training and development opportunities relating to the architectural profession and other high level construction disciplines. The Centre will develop close links with schools, educational establishments and employers in assisting young black and ethnic minority people to improve their life chances through education and employment. Equality of opportunity lies at the heart of this work.

Symon commented:

“The principal purpose of the strategy for building employability is to reduce the disproportionate lack of education, skills and qualifications held by some ethnic minority groups such as Pakistanis, Bangladeshis and Black Caribbeans. The strategy clearly recognises that these skills are essential for success in the labour market.

“The building employability strategy represents a coherent attempt to provide credible, targeted interventions to reduce inequalities in educational attainment, qualifications and skills and thus increase the life chances for under-performing ethnic minority groups.

“The group felt that a core part of the implementation of the building employability strategy related to the issue of data collection and dissemination. Therefore, we recommend that data gathered on differential attainment by ethnic group (using the Pupil Level Annual School Census and the National Pupil Database) is made fully available in an accessible format and used by schools and LEAs as a management tool. The corollary of this is that data based on this platform should then be made available through the Ofsted parental summary report in an accessible format highlighting patterns and corrective action to be taken.

“We were very pleased to see that the Strategy Unit report recognises the importance of factoring ethnicity into education floor targets in the event of other initiatives not dealing with the problem of under-attainment. However, we felt that it would be beneficial to factor ethnicity into education floor targets regardless of the performance of other initiatives as this represented a clear way of ensuring that local strategic partnerships, in particular, are strategising to deal with the issue of under-attainment in a fully joined-up way across sectors.

“In line with this, we felt that local strategic partnerships had a crucial role to play in ensuring that their strategies included action plans and timetables for improving the educational performance (and therefore employment prospects) of ethnic minority pupils and that education floor targets linked to ethnicity clearly signalled this intention.

“It is very positive that recommendation 3 of the Strategy Unit report highlights the importance of ensuring that the funding system is made more flexible to help LEAs and individual schools through periods of high turnover. We very much look forward to lending our expertise in

providing suggestions and piloting new approaches to ensure that the most benefit is derived from the changes made.

“The Strategy Unit report is to be commended on the way that it has identified problems and provided cogent workable solutions. However, we felt that the implementation of a number of the recommendations have yet to be evidenced or really felt on the ground.

“We also felt that a number of the target dates for implementation needed to be brought forward to ensure that the positive impacts could be felt earlier and in this way reduce the inequalities in the shortest possible timeframe.

“We very much welcome the opportunity to continue to make positive input to this crucial area of work to build employability and equality of opportunity for those presently underachieving in schools and in the workplace.”

Connecting people to work

Jonathan Baldrey is Chief Executive of At Work, a service aimed at helping unemployed people get and keep good jobs. At Work has expanded from its first branch in Middlesbrough to operate across London, Yorkshire, the North East and Manchester. The majority of people placed by At Work are from ethnic minority groups and At Work's emphasis is on working with people who are not being reached by other kinds of provision.

Jonathan commented:

“Over the last three years, there has been some significant progress in addressing the labour market problems which are preventing parity between ethnic minority and white people connecting to work. Perhaps the most notable development is a change in emphasis within Jobcentre Plus. While helping ethnic minority people was always seen as important to Jobcentre Plus, this has risen in prominence. There is a sense that all Jobcentre Plus staff seem now to recognise that solving the disparity between white and ethnic minority people is crucial, and a huge amount of focus is going into ethnic minority clients, along with people with disabilities and lone parents. Changes to the Jobcentre Plus points system are partly responsible for this. The fact that the Ethnic Minority Employment Division, the Ethnic Minority Employment Task Force and Stakeholder Group now exist is key. Dissemination of information through conferences, and publication of papers such as *Building on New Deal* and

Full Employment in Every Region have also played a strong role. So, critically, hearts and minds within the key agencies now recognise that there is a problem and are committed to solving it.

“However, there is an underlying assumption in the Strategy Unit recommendations that government agencies can solve the ethnic minority labour market problem through some sorts of programmes, if the targets and programmes themselves are correct. This assumes that ethnic minority people are prepared to use such programmes. There is an emerging sense though that ethnic minority people are less willing to use Jobcentre Plus services than white people, not because Jobcentre Plus service is poor or discriminates against them, but because of perceptions – effectively brand and marketing issues. If Jobcentre Plus is perceived as ‘part of the government’ or ‘too white’, ethnic minorities will be disinclined to use their services, no matter how good they are. At present, we do not know how strong this factor is, but the Stakeholder Group has requested that research is undertaken to look at how important it is.

“DWP has noted the important part that non-Jobcentre Plus providers from the voluntary and community sector and private sectors are beginning to play in delivery of the Ethnic Minority Outreach programme – which effectively combines the engagement and job broking functions. If, as we suspect it will, research points to a disinclination for ethnic minorities to engage with Jobcentre Plus, these organisations may play a very important role in the solution. The report acknowledges their existence, but doesn't put sufficient emphasis on their potential importance.

“In summary, therefore, there has been positive movement towards solving labour market problems for ethnic minority people – most important is probably that everyone in key agencies now understands that there is a problem and is committed to solving it. The Strategy Unit report provides some assistance and the strategies outlined will not have a detrimental effect. But the solution to this problem is probably going to call us to throw out a lot more rule books and think more globally about key issues such as discrimination, the brand image of Jobcentre Plus, what we mean by a sustainable job, and the degree to which mainstream provision can work with those who may be able to help themselves. These types of big issues will not be addressed quickly or easily but their importance to the solution must be recognised.”

5. Partnership working (continued)

Equal opportunities in the workplace

Jenny Duncan is HR Employee Relations Manager within BT Wholesale. She is responsible for ensuring that BT Wholesale has a range of diversity initiatives that are compatible with Wholesale's responsibilities towards its people. She is also Chair of BT's Ethnic Minority Network, which provides personal development for BT's ethnic minority employees and a positive contribution to BT's policies and equality and diversity programmes.

Jenny commented:

"Overall, we are satisfied with the Government's developing strategy to promote greater equality of opportunity for ethnic minorities in the workplace.

"We particularly welcome efforts to join up the work of departments to ensure that they are equipped to achieve the challenging objectives set by the Strategy Unit report.

"While we are satisfied that each of the Strategy Unit report's recommendations on equal opportunities in the workplace will add value to the strategy, it would be helpful for government to prioritise the recommendations, to ensure departments focus on those which will have the greatest positive impact on building equality of opportunity.

"Recommendation 26, which refers to the use of procurement as a lever for promoting race equality, should have top priority. We strongly believe that it will send out a clear message to organisations that the Government is committed to real change, and we actively encourage the Home Office, OGC and ODPM to work in partnership in achieving these recommendations objectives.

"DTI's review of the most effective means to tackle systemic racial discrimination (recommendation 23) is also of prime importance, as is the work to ensure that patterns and trends in Employment Tribunal cases are properly noted and addressed. The latter recommendation would benefit from clarification on what definitions of offences will be covered, and on what action will be taken by the Secretary of State for Trade and Industry following the publication of the report's findings.

"Of less importance is recommendation 20, which refers to the use of high-profile award schemes to encourage employers to offer equality of opportunity for ethnic minorities. We are concerned that there already exist a great number of recognition award schemes, and whilst these celebrate success and advocate role models, we advise caution in this area. Resources would be better allocated to recommendations likely to achieve measurable successes."

Partnership working in Scotland

There are notable differences between the position of ethnic minority communities in Scotland and the rest of the UK. In addition to demographic differences, some of the Strategy Unit report's recommendations relate to devolved areas such as education, childcare, and economic development. Therefore, in January 2004, the Scottish Executive, Scottish Enterprise and the CRE held an event with policy makers and key stakeholders to discuss the implications for Scotland of the Strategy Unit report.

The Scottish Executive, working where appropriate in partnership with DWP, has been overseeing a number of projects and initiatives aimed at improving the employment experience of ethnic minority people in Scotland.

These include:

- research to identify common issues experienced by ethnic minority business people, exploring the specific disadvantages that they face;
- analysis of Census 2001 data to examine the differentials between different ethnic groups across areas including employment and education;
- the recently published Enterprise Strategy, which places renewed emphasis on the importance of equality and diversity to business competitiveness and economic growth; and
- activities delivered in partnership with Scottish Enterprise and Careers Scotland, including a project aimed at recruiting ethnic minorities into teaching, and careers fairs for ethnic minority clients.

The Scottish Welfare-to-Work Task Force seeks to increase the number of economically active people in Scotland. One of the Scottish Task Force's key targets this year was to establish and hand over to Jobcentre Plus a model to improve the employment achievements of ethnic minority people.

Diversity Works, a sub-group of the Scottish Task Force, held an employment fair in June 2004. The fair brought together both public- and private-sector employers, and attracted almost 100 jobseekers, including ethnic minorities. Another event is planned for 2005.

The Scottish Trades Union Congress's 'One Workplace. Equal Rights' project aims to tackle racism and promote equal opportunities in the workplace across Scotland. Further information on the project, which offers guidance and support to trades unions, employers and employees, can be accessed at www.oneworkplace.co.uk.

6. Looking forward

This year, the first cross-Whitehall ethnic minority employment strategy has been developed. New initiatives have been put into place across all the areas in which government can act to improve the labour market achievements of ethnic minorities. For the first time, all the departments with a part to play have been working together to make a real difference to ethnic minority people.

The narrowing of the employment gap

There is evidence that, for the first time in 20 years, the experience of ethnic minorities in employment is improving. As we demonstrated earlier in this report, the employment gap is narrowing, which equates to around 50,000 more individuals of ethnic minority origin in employment, in terms of the current working age population.

Nonetheless, the employment rate for all ethnic minority groups remains substantially lower than that for the population overall. For some ethnic minority groups, employment rates can be as low as 43 per cent. But not only are ethnic minority people more likely than the population as a whole to be out of work, even when in work their average weekly earnings are lower than their white counterparts. This contributes to the fact that ethnic minority households are much more likely to be living in poverty than white households. This indicates how crucial the work of the Task Force is.

Key achievements

Although it is not possible to assess how much of the encouraging upturn in the ethnic minority employment rate is directly related to the Government's efforts to deliver improvements for ethnic minorities, it is certainly the case that this year has seen important developments that will benefit ethnic minority communities.

The key achievements in Year 1 are:

- DfES is carrying forward the recommendations about schooling and, through the Aiming High strategy, progress has been made in developing new policies in this area. There was wide-ranging consultation with those whose experience could influence the development of policies and the strategy is helping provide focused help to ethnic minority pupils, their teachers and their parents. Accurate and timely data are essential and the implementation of the Pupil Level Annual School Census is an important development in this respect.
- A better-focused Jobcentre Plus target structure has been introduced, which has been fundamental to the improvements in delivery for ethnic minorities that the Strategy Unit report called for. We are monitoring the effects of the new system of incentives, and the transfer

of resources to the areas where ethnic minority people are concentrated and where levels of employment are lowest. The publication of the new strategy for delivery of the New Deals¹ will add to the improved targeting and flexibility.

- Government has recognised the potential of public procurement as a lever to further race equality issues. The Strategy Unit report highlighted the benefits of procurement practice that encourages employers to promote equality. CRE has produced guidance designed to help procurers within government to understand both the potential and the limitations of procurement as a means to build equality of opportunity for people from all races. The SPG is looking to do the same. This guidance will enable procurement officials to understand the legal framework and their responsibilities under the RR(A)A and to feel more confident in building in race equality requirements into procurement.
- Employers, too, have been helped to examine their workplace practices and policies to ensure that they do not discriminate against ethnic minority people. Through ACAS's Race Equality Service and the Specialist Employment Advisers, DTI and Jobcentre Plus respectively are increasing their capacity to offer advice and support to employers.

Developing beyond the Strategy Unit report

As this report has made clear, the findings and recommendations of the Strategy Unit have been central to the development of the cross-cutting strategy, and have provided the crucial focal point for those departments and stakeholders with a part to play. These developments move us further towards achieving our objective – but we are aware that there is no room for complacency.

The Task Force has recognised that it is possible that the full implementation of the Strategy Unit recommendations may not achieve the Government's vision of equality of employment opportunity for all. Therefore, the key undertaking for the Task Force in the coming year is to ensure that the Government actively responds to the challenge set by those areas not covered by the Strategy Unit report.

1. The report can be found at: www.dwp.gov.uk/publications/dwp/2004/buildingonnewdeal/mainreport.pdf

6. Looking forward (continued)

Key priorities for the Task Force

The Strategy Unit recommendations focused almost exclusively on the schools agenda – only one recommendation, relating to further research, touched on broader issues such as ESOL and HE. This is a major gap. We know that lack of skills – especially basic skills, including English as a second language – contribute to poor work outcomes and act as a barrier to social inclusion. Although some ethnic minority groups are more likely to have degrees than the overall population, ethnic minorities on average have lower qualifications than nationally. Broader themes for the Task Force include early years, further education, higher education, adult basic skills and ESOL. In particular, the Task Force will want to ensure current and proposed government skills policies and programmes fully address the needs of ethnic minorities.

The Strategy Unit report's recommendations for connecting people to work tackled the implications of the concentration of ethnic minorities in deprived areas and the problems caused by some inflexibility and inefficiency in delivery of employment services. Greater improvements and flexibilities have been introduced to Jobcentre Plus programmes and services as a result. But further analysis has shown that some ethnic minorities are still alienated from mainstream services and there is a proportion who, for one reason or another, are outside the labour market and have no contact with advisory services. It is important, therefore, that the Government seeks to find further and better ways of reaching the people who do not use Jobcentre Plus services.

The work that has already been done to ensure that procurement is properly used to tackle employer discrimination has been valuable – but the Task Force will be moving beyond this. Currently, procurers within government are offered guidance on what can and what cannot be done. The key issue for the Task Force will be to ensure that this guidance is strengthened into a practical framework, and to examine ways to ensure that public bodies take every opportunity to put this framework to use.

As the Government seeks to engage with business on race equality issues, the Task Force's work in partnership with the TUC and CBI will add value to the case for business to take on a leadership role.

We know that discrimination does not exist merely at the stage of recruitment: ethnic minorities' rates of progression and pay suggest that a disadvantage remains once an ethnic minority person is in employment. Examining ways to address this issue will sit well with the Strategy Unit's assertion that increased earnings – in addition to increased employment rates – should be a measure of the success of the strategy.

Developing the evidence

The Task Force cannot respond to these challenges without a sound evidence base. It is therefore committed to undertaking programmes of research that will enable policies to be developed that will have the greatest possible impact on ethnic minority communities. For example, a current research project on discrimination in the workplace is examining how employers respond to candidates of different ethnicities in interview situations.

Impact and outcomes

The Task Force is keenly aware of the need to assess the impact of its policies, and evaluate whether the experience of ethnic minority groups in employment is improving. It was agreed that the performance of the Task Force should be monitored by developing a system of statistical indicators and measures. The system will allow the Task Force to:

- review current performance, by establishing whether it is on track;
- communicate its position in relation to targets;
- confirm its priorities by identifying gaps between performance and expectations in order that action can be taken to close the gaps; and
- revise and modify policies and programmes accordingly.

Indicators have been collected on:

- **strategic measures**, which are key performance outcomes reflecting why the Task Force exists and what it seeks to achieve. There is a primary focus on the ethnic minority employment rate; and
- **programme delivery measures**, which are measures about the delivery of programmes in order to achieve the strategic objectives of building employability, connecting people to work, and equal opportunities in the workplace.

Working in partnership to deliver the key priorities

The collaborative working that has been characteristic of the Task Force in its first year will continue to be a central feature of its forthcoming work. The partnership between departments is practically demonstrated by the new PSA target arrangements; whilst DWP will be sole owner of the target, each Task Force department has undertaken to set out in specific terms the contribution that its ethnic minority strategies will make to achieving the target to narrow the ethnic minority employment gap.

The fruits of this partnership approach through the Task Force will strengthen the ability of departments to bring forward new joint initiatives in the run-up to future Budgets, Pre-Budget Reports and the next Spending Review in 2006.

Driving through change

The Task Force is in a unique position to drive through change across government. For example, Jane Kennedy, in her capacity as Task Force Chair and Minister for Work, recently wrote to all the major government departments to ask what action they are undertaking to make use of procurement as a race equality lever. In addition, the Task Force will gather information from departments about the way that they are mainstreaming Strategy Unit recommendations into their normal work programmes and will report back in the second progress report in 2005.

Clearly, the Task Force does not operate in isolation. In the future, we will need to take into account developments relevant to ethnic minority issues. For example, the work of the Institute of Public and Policy Research recently set the challenge for government to improve the way in which it works with business to further race equality issues, and the new single diversity body will have implications for our work.

The ethnic minority employment strategy also forms an important component of the Home Office's overarching community cohesion and race equality agenda. Task Force departments are working closely with the Home Office to deliver this.

Over the coming year, the Task Force will focus its efforts on both building on the recommendations of the Strategy Unit, and overseeing the development of areas where the Strategy Unit report did not make firm policy recommendations. More than this, it will seek to ensure that departments

mainstream race issues into their strategies, and that departments establish clear outputs that will have a demonstrable impact on ethnic minority communities. In order to ensure that departments' policies are having this impact, the Task Force departments will develop robust ways of measuring success. The Task Force is currently the chief mechanism for formally bringing departments together across Whitehall to achieve these objectives, and we will consider its continuing role in the future.

Conclusion

The action that the Task Force has taken this year to raise the ethnic minority employment rate demonstrates the level of ministerial commitment to the Government's first concerted effort to develop ways to ensure that no one is unable to fulfil their employment potential because of their race.

Most importantly, it has demonstrated the role of the Ethnic Minority Employment Task Force in ensuring that departments work together to address the various barriers to employment that some ethnic minorities face, and the progress that the Task Force has overseen so far this year in implementing the recommendations of the Strategy Unit report.

Over the coming year, the Task Force will continue to respond to the challenges set out in the Strategy Unit report, and will continue to explore new ways to ensure that ethnic minority people are able to fulfil their employment potential.

Contact us

If you would like to contact the Ethnic Minority Employment Division, either to comment on the Task Force's first progress report, or to find out more about ways to work with us, visit the Task Force's website, at www.emetaskforce.gov.uk.

The website contains a Contact Us page, more detailed information on the work of the Task Force departments, and a section on the Ethnic Minority Employment Stakeholder Group.

Annex A – Strategy Unit recommendations

	Recommendation	Lead department(s)	Timetable
1	DfES has already implemented, and will continue to implement, a series of policies which are directly and indirectly targeted at closing the attainment gap between low-achieving ethnic minority groups and the White average. These policies include Excellence in Cities, Extended, Specialist and Beacon Schools, Sure Start, the whole of the Standards agenda and DfES's ethnic minority achievement strategy. If, despite these programmes, new data sources reveal persisting and disproportionate attainment gaps between ethnic groups, DfES should factor ethnicity into education floor targets.	DfES	Q3/2005
2	Where differential achievement between ethnic groups is of serious concern, Ofsted should identify this as a weakness in its summary report to parents.	DfES and Ofsted	Q3/2004
3	DfES funding arrangements should be reviewed to ensure that: i) funding through the Ethnic Minorities Achievement Grant (EMAG) is linked to pupil need, not simply ethnicity; and ii) funding systems are flexible enough to help LEAs and individual schools through periods of high pupil turnover.	DfES	i) Q2/2004 ii) Q3/2005
4	DfES should carry out a review of schools' use of information on best practice methods of raising ethnic minority educational attainment, focusing particularly on the lowest-achieving LEAs with a view to improving access to guidance and advice.	DfES	Q2/2004
5	DfES should ensure that all LEAs with significant low attainment problems for particular ethnic groups have parental engagement processes that take ethnic-specific factors into account. Actions should include: i) helping teachers and schools to identify ethnically related drivers of disengagement; ii) using methods of engagement which are tailored to specific employment, religious and cultural needs; and iii) encouraging schools to monitor and analyse parental engagement by ethnicity, to see if some ethnic minority communities are consistently disengaged.	DfES	Q4/2003
6	(recommendations 6 and 7(iii) will also be addressed through work to address recommendation 5) DfES should draw up a communication strategy to inform, advise and support ethnic minority parents about opportunities for greater parental choice in school selection.	DfES	Q2/2005
7	DfES should conduct research to answer several key questions of central relevance to the attainment of different ethnic groups in the education system and in the labour market: i) What problems do new migrant pupils face when they enter the education system? What impacts do these migrant pupils have on schools and existing pupils? ii) What skills sets do ethnic minority graduates have? Do they have a mismatch of subjects, skills or 'soft' skills that makes them less successful in the labour market?	DfES	Q3/2004

continued

	Recommendation	Lead department(s)	Timetable
	<p>iii) To what extent do ethnic minority parents know the basic structure of the education system and how to 'work' it, through an understanding of school interaction, league tables, school assessments, streaming and so on?</p> <p>iv) What is the demand for English language tuition among adults, and where is it found? Are the forms being offered helping people find work?</p> <p>v) Are there still signs of ethnic minority pupils being placed in lower sets than their attainment would suggest was just? and</p> <p>vi) What can analysis of value-added data show about differential ethnic attainment levels within schools?</p>		
8	<p>A Jobcentre Plus Action Plan to improve performance for ethnic minorities should be developed to incorporate best practice lessons from existing outreach and area-based initiatives. (see also recommendations 10 and 11)</p>	DWP	Q1/2004
9	<p>DWP should review the Jobcentre Plus target points system, both to ensure that it gives incentives to place people into sustainable employment and to determine its capacity for increasing the number of job entries for ethnic minorities.</p>	DWP	Q3/2003
10	<p>DWP should use the evaluation of the current round of New Deal 'Tailored Pathway' pilots to review the effect of increased programme flexibility and greater Personal Adviser discretion in delivering better outcomes for ethnic minorities. The findings of this review should be used to inform future Jobcentre Plus strategy. (see also recommendation 8)</p>	DWP	Q4/2003
11	<p>Pilots were announced in SR 2002 to extend the Employment Zone approach to New Deal for Young People 'returners'. Evaluations of these pilots should incorporate ethnic monitoring of clients in order to determine whether parity of outcomes is achieved between ethnic minorities and whites. If parity is achieved, consideration should be given to rolling out the Employment Zone model to 'first time' New Deal clients aged 18–24. (see also recommendations 8, 10 and 21)</p>	DWP and HMT	Q2/2003
12	<p>DWP should, in 60 priority districts (the 30 areas with high concentrations of ethnic minorities and the 30 areas with high unemployment rates), encourage Jobcentre Plus offices to develop employment interventions in partnership with social housing providers. (see also recommendation 13)</p>	DWP	Q4/2003
13	<p>The ODPM should begin to roll out the Housing and Employment Mobility Service (HEMS) to promote inter-regional mobility, ensuring that ethnic minority Registered Social Landlords are not excluded. (see also recommendation 12)</p>	ODPM	Q2/2003

continued

Annex A – Strategy Unit recommendations (continued)

	Recommendation	Lead department(s)	Timetable
14	DfES, working with Inland Revenue, should carry out analysis to find out the degree to which low levels of formal childcare use are a result of cultural preferences, financial constraints, accessibility and information issues, family size or other factors. The information should be used to consider whether policy changes are needed. Over the same period, measures should also be taken to raise awareness of the childcare element of the Working Tax Credit amongst ethnic minorities.	DfES and Inland Revenue	Q1/2004
15	The Small Business Service (SBS) should adopt a range of measures to increase the effectiveness of its support to businesses, including: i) developing a strategy to enable each Business Link operator to draw on data on its ethnic minority business customer base. This database should not be limited just to those businesses that have received 'significant assistance', and should be established at a national level; ii) a strategy to deliver focused and tailored information on its services to ethnic minority entrepreneurs, and, with Business Link operators, forge close working relations with those institutions that evidence has shown are utilised by ethnic minority entrepreneurs; and iii) consistent with its commitment to help ethnic minority entrepreneurs overcome any specific barriers to entrepreneurship, each Business Link operator should set year-on-year improvement targets to improve the proportion of ethnic minority businesses served until it reflects the business composition of the areas which each Business Link operator serves, and the proportion of ethnic minorities within that area.	DTI and SBS	i) Q3/2003 ii) Q4/2003 iii) Q1/2004
16	DTI and NRU should report on a regular basis on how funds aimed at promoting economic growth and supporting businesses in deprived neighbourhoods are benefiting ethnic minority communities. This information should feed into future strategies designed to benefit ethnic minority communities.	DTI and NRU	Q4/2003
17	In order to provide better information, support and guidance to employers: i) ACAS should double the size of, and publicise, the support it offers through its equality service. Consideration should also be given to further expansion of its equality service; ii) Field Account Managers and Vacancy Filling Managers in Jobcentre Plus should be proactive in delivering information, raising awareness about the importance of race equality, and promoting the support services available to the employers with whom they work; iii) the CRE should disseminate best practice in the implementation of the RR(A)A to the private and voluntary sectors; and iv) the SBS should raise awareness among small business owners of the importance of race equality policies and practices by incorporating the issue into all aspects of the guidance that they provide to small businesses.	DTI, ACAS, DWP and SBS	i) Q1/2004 ii) Q1/2004 iii) Q1/2005 iv) Q1/2004

continued

	Recommendation	Lead department(s)	Timetable
18	DTI and DWP should conduct an independent review of how the information and support mechanisms available to employers about race equality can be strengthened as well as the extent to which, once strengthened, they meet the needs and influence the practices of employers.	DTI and DWP	Q2/2006
19	The CRE should update its Code of Practice in Employment, consulting widely amongst all relevant stakeholders, to ensure that it accurately reflects existing race relations legislation and that it is known extensively by, is accessible to and is able to meet the needs of employers.	Home Office and CRE	Q1/2004
20	The CRE should examine the options for more high-profile award and recognition schemes to encourage employers to offer equality of opportunity to ethnic minorities.	Home Office and CRE	Q4/2003
21	In order to raise levels of labour market achievement, DWP and NEP should examine the feasibility of Job Opportunity Compacts in the five cities with the largest concentration of ethnic minorities. The objective of the Compacts should be to engage employers in developing a strategy and action plan for increasing recruitment and retention rates in each of the key sectors, and for ensuring that local education and training provision is relevant to labour market demands. (see also recommendation 11)	DWP and NEP	Q3/2003
22	In order to ensure that patterns and trends in Employment Tribunal cases are properly noted and addressed, DTI should: i) collect and publish data on repeat offences by specific employers in cases of racial discrimination that have been upheld; and ii) mandate the Presidents of Tribunals to monitor racial discrimination cases (including cases that have been abandoned and dismissed) and report findings to the Secretary of State at DTI. This should take the form of an annual report and, in response to key issues that are highlighted, should seek an action plan from relevant departments.	DTI	i) Q2/2004 ii) Q4/2004
23	DTI should carry out a review of the most effective means to tackle systemic racial discrimination among employers. Part of this review should examine the case for adapting the powers of Employment Tribunals to make wider recommendations to effect change both for the complainant and the work environment more broadly.	DTI	Q4/2004
24	DWP and DTI should develop a research programme to improve understanding of the nature, causes and extent of racial discrimination and harassment in the labour market. In the light of this improved understanding, the research programme should assess potentially promising future approaches to tackling racial discrimination and harassment in the labour market.	DWP and DTI	Q4/2003
25	The CRE should examine ways to make greater use of its general enquiry powers to gather evidence of underlying patterns of discrimination and disadvantage, and to engage relevant stakeholders on appropriate action plans in response. It should implement action points as part of a strategic review of its overall enforcement and promotional powers and specific levers of influence.	Home Office and CRE	Q4/2003

continued

Annex A – Strategy Unit recommendations (continued)

	Recommendation	Lead department(s)	Timetable
26	<p>In order for public authorities to feel confident in using public procurement to promote race equality, comprehensive and clear guidance on race equality issues in public procurement is now required. The Home Office, in consultation with OGC and ODPM, should consider how this best can be achieved, in the light of the existing work being undertaken by the Sustainable Procurement Group and the CRE. The guidance should:</p> <ul style="list-style-type: none"> i) explain what is and is not permissible at each stage of the procurement process, including sanctions available for failing to meet relevant race equality contract provisions; ii) exercise use of the full extent of UK and EU law; iii) explicitly encourage public authorities to use this scope; and iv) include several model approaches that authorities can adopt. <p>The guidance should be disseminated to relevant public authorities and potential tenderers through organisations such as the LGA, CBI and CRE.</p>	Home Office, CRE, OGC, and ODPM	Q2/2004
27	<ul style="list-style-type: none"> i) The Home Office, in consultation with the CRE, should commission research to determine whether awareness campaigns are an effective instrument for changing negative attitudes about individuals from different ethnic backgrounds. ii) This research should include an examination on how to design, implement and assess such campaigns. The results of the research should be published and disseminated to a wide range of key stakeholders, including local authorities and private sector firms. In accordance with the findings of the research, the CRE as a principal user-group should design, implement and assess an awareness campaign. 	Home Office and CRE	<ul style="list-style-type: none"> i) Q4/2003 ii) Q2/2004
28	<p>New structures and measures should be established to ensure that the conclusions of this report are implemented effectively. This should be achieved by the four following key measures:</p> <ul style="list-style-type: none"> i) responsibility for delivery on the conclusions of this report should be given to a Ministerial Champion, the Minister for Work in the Department for Work and Pensions. The Ministerial Champion should report on progress to the Secretary of State for Work and Pensions, who should report to the Cabinet Committee on Economic Affairs, Productivity and Competitiveness at regular intervals; ii) a Task Force should be established to take responsibility for issues relating to the labour market achievements of ethnic minorities. This should draw together relevant departments and agencies and key external stakeholders. The Task Force should be set up immediately and its effectiveness reviewed after three years. <p>The Task Force should be chaired by the Minister for Work. The Task Force should comply with guidance on consultation and Regulatory Impact Assessment best practice;</p>	DWP	<ul style="list-style-type: none"> i) Q2/2003 ii) Q2/2003

continued

	Recommendation	Lead department(s)	Timetable
	<p>iii) the roles of key departments in meeting the DWP PSA target should be established by a PSA Plus team including representatives of the proposed Task Force. The team should review the case for a joint DTI/DWP/DfES PSA target for consideration in the 2004 Spending Review; and</p> <p>iv) progress reports on the conclusions of the Strategy Unit report should be made public every 12 months and, after three years, a full review should be undertaken on the effectiveness of the Task Force in implementing these conclusions.</p>		<p>iii) Q3/2004</p> <p>iv) Q3/2005</p>

Annex B – Ethnic Minority Employment Division

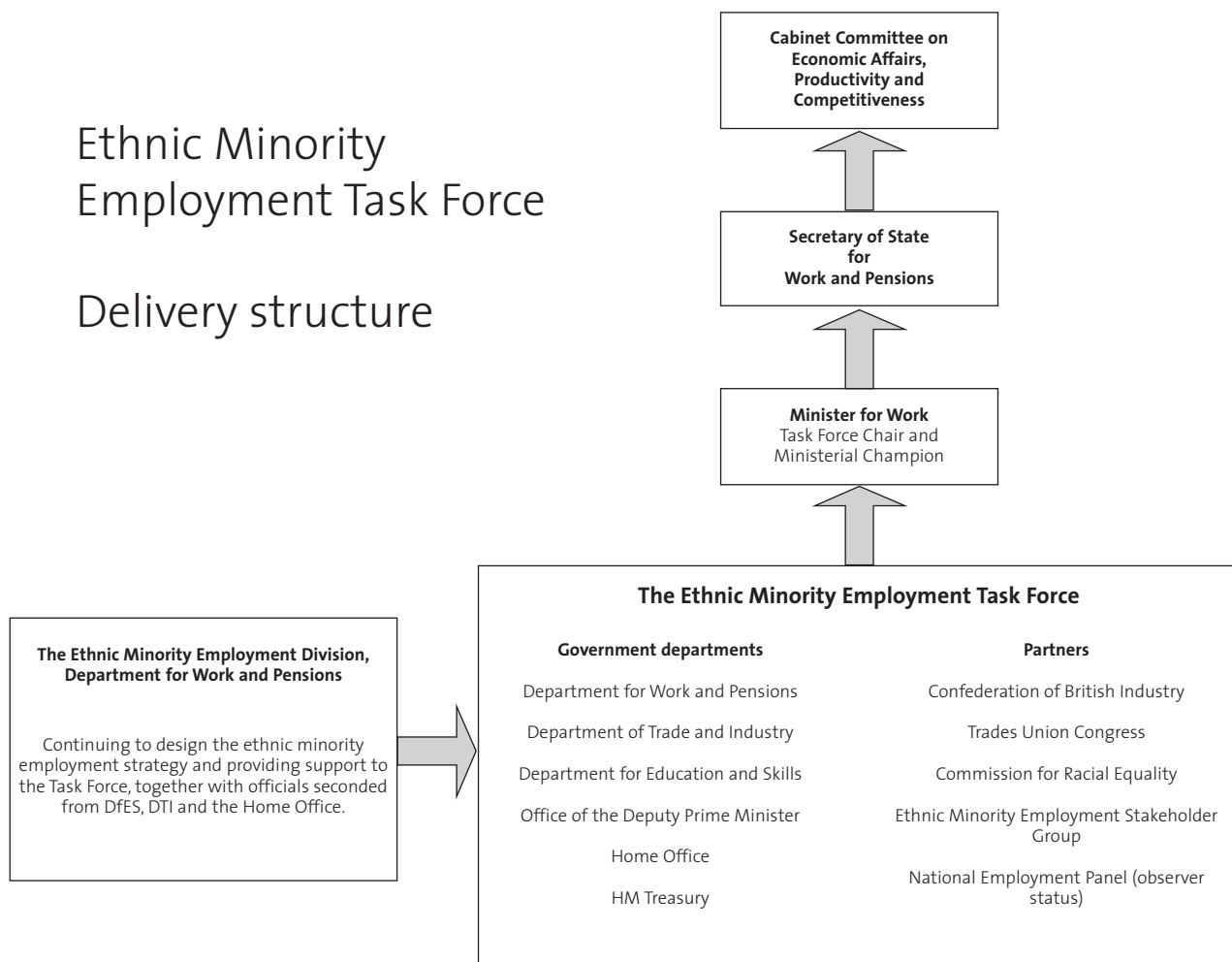
The Ethnic Minority Employment Division, Department for Work and Pensions

The Strategy Unit recommended (recommendation 28) that the secretariat for the Task Force should be located within DWP. It proposed that the secretariat be staffed from DWP and other Whitehall departments, together with people from the private sector.

The Ethnic Minority Employment Division (EMED) serves a dual purpose: to provide secretariat support to the Task Force, including serving as a central point of contact for officials from all the Task Force departments; and, crucially, to continue developing the strategy to meet the ethnic minority PSA target.

Ethnic Minority Employment Task Force

Delivery structure



Annex C – Glossary of abbreviations

ACAS	Advisory, Conciliation and Arbitration Service	LGA	Local Government Association
BoND	<i>Building on New Deal</i>	LLSC	Local Learning and Skills Council
CBI	Confederation of British Industry	LSC	Learning and Skills Council
CRE	Commission for Racial Equality	ND25+	New Deal 25 plus
DfES	Department for Education and Skills	ND50+	New Deal 50 plus
DTI	Department of Trade and Industry	NDLP	New Deal for Lone Parents
DWP	Department for Work and Pensions	NDYP	New Deal for Young People
EAL	English as an Additional Language	NEP	National Employment Panel
EDIM	Equality and Diversity Impact Measures	NRU	Neighbourhood Renewal Unit
EiC	Excellence in Cities	NVQ	National Vocational Qualification
EMAG	Ethnic Minority Achievement Grant	ODPM	Office of the Deputy Prime Minister
EMSAG	Ethnic Minority Students Achievement Grant	Ofsted	Office for Standards in Education
ESOL	English for Speakers of Other Languages	OGC	Office of Government Commerce
ETS	Employment Tribunals Service	ONS	Office for National Statistics
EZ	Employment Zone	PLASC	Pupil Level Annual Schools Census
FE	Further education	PRA	Performance and Resources Agreement
GLA	Greater London Authority	PSA	Public Service Agreement
HE	Higher education	REAS	Race Equality Advisory Service
HEFCE	Higher Education Funding Council of England	RES	Race Equality Scheme
HEIPR	Higher Education Initial Participation Rates	RR(A)A 2000	Race Relations (Amendment) Act 2000
HESA	Higher Education Statistics Agency	RREAS	Race Relations and Equality Advisory Service
HMES	Housing and Mobility Employment Service	SBS	Small Business Service
HO	Home Office	SCS	Senior Civil Servant
IPPR	Institute of Public Policy Research	SEA	Specialist Employment Advisers
ILO	International Labour Organisation	SME	Small to medium-sized enterprise
IR	Inland Revenue	SPG	Sustainable Procurement Group
LAD	Local authority district	SU	Strategy Unit
LAW	Local authority ward	TUC	Trades Union Congress
LEA	Local education authority	WBL	Work-based learning
LFS	Labour Force Survey		

Annex D – Definitions

<p>BoND</p>	<p>The DWP report <i>Building on New Deal: Local solutions meeting individual needs</i> was published on 19 May 2003. It sets out a five-point plan to personalise Jobcentre Plus and to introduce new local employment plans. It includes new reforms to remove complexity and bureaucracy from employment programmes, and to make them more tailored to the needs of local labour markets. The report aims to get 600,000 more people into work.</p> <p>The full report can be found on www.dwp.gov.uk/publications/dwp/2004/buildingonnewdeal/mainreport.pdf</p>
<p>Discrimination on grounds of race</p>	<p>Discrimination on grounds of race refers to three specific types of behaviour:</p> <p>Direct discrimination describes a situation where one person is treated less favourably than others are, or would be, treated in the same or similar circumstances, or in circumstances that are not materially different. For example, if an individual from an ethnic minority background is passed over for promotion, despite being more suitable and highly qualified for the job than a white colleague whose application is successful.</p> <p>Indirect discrimination can be more difficult to identify because it is often embedded in seemingly race-neutral practices and policies. For example, requiring all job applicants to have a high standard of spoken English may be justifiable for the position of newsreader, but not for a position as a manual worker. In the latter case it would be discriminatory.</p> <p>Racial harassment is defined as occurring when ‘an unwanted conduct related to racial or ethnic origin takes place with the purpose or effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment’. This can range from racial slurs and physical attacks to unintended or unconsciously offensive behaviour or racist jokes.</p> <p>Detailed definitions can be found within the Race Relations Act 1976 at www.homeoffice.gov.uk/docs/part1.html, and within the EC Race Directive, at europa.eu.int/eur-lex/pri/en/oj/dat/2000/l_180/l_18020000719en00220026.pdf</p>
<p>Economic inactivity</p>	<p>People who are economically inactive are those of working age who are not working, and who are not looking for work. This includes inactive benefit and non-benefit recipients, and students in further and higher education.</p>
<p>Ethnicity classifications</p>	<p>The classification of ethnic groups in this report is the recommended classification for National Statistics data sources, which is broadly in line with the 2001 Census. This classification has 15 categories. However, in order to obtain sufficient sample sizes for the statistics in this report, the classification has been reduced to 11 categories. The ethnicity of individuals recorded is based on self-assessment.</p> <p>Further information on this classification is available on the National Statistics website: www.statistics.gov.uk/about/classifications/ns_ethnic_classification.asp</p> <p>The implications of this classification for Labour Force Survey data can be found in: Smith, A, 2002. ‘The new ethnicity classification in the LFS’, pp. 657-66, <i>Labour Market Trends</i>.</p>

continued

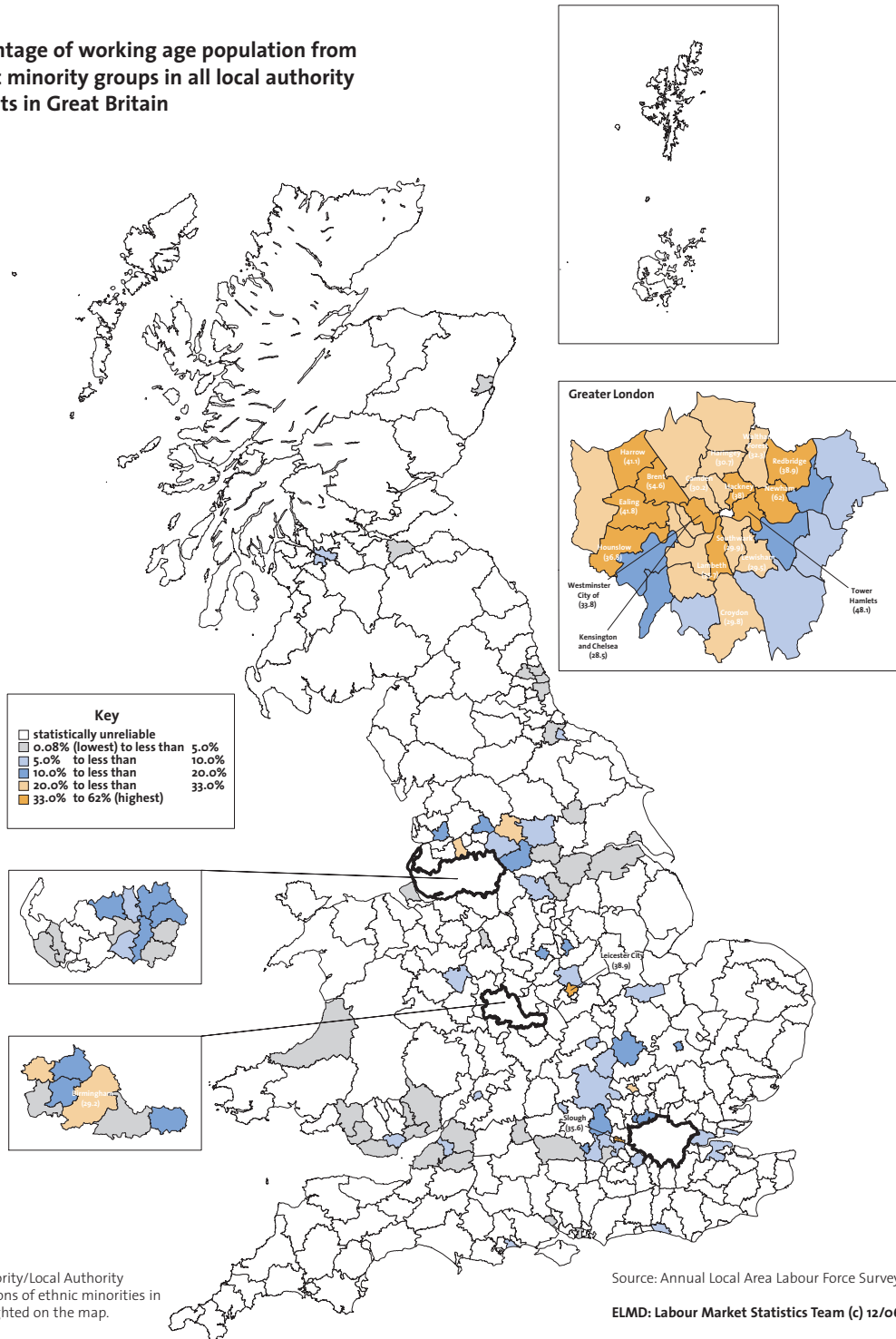
Human capital	The Strategy Unit report referred to human capital as ‘the sum of skills, knowledge, experience and educational qualifications an individual possesses’.
PRA target structure	The Performance and Resources Agreement (PRA) is an agreement between DWP and Jobcentre Plus on how resources will be spent over the operational year, and includes targets for the numbers of job placings that will be achieved. In the 2002–03 PRA targets structure, additional points are awarded for job placings in the 30 LADs with the poorest labour market position, and the next 30 LADs with the highest concentrations of ethnic minority population. In total, these districts cover 70 per cent of the GB ethnic minority population.
PSA target	Public Service Agreement sets out key targets for the Department, and the associated measures that we will use to assess progress towards these targets in return for funding provided in the government spending reviews. DWP’s ethnic minority PSA target is as follows: over the three years to 2006 to increase the employment rates of ethnic minorities, taking account of the economic cycle, and significantly to reduce the difference between their employment rates and the overall employment rate.
Unemployment	Unemployment data in this report are based on the International Labour Organisation’s (ILO’s) definition of unemployment, which is used in household surveys such as the Labour Force Survey. The ILO counts as unemployed those of working age who are without work; are currently available for work; and who are actively seeking work.
Working age population	Working age population is defined as those aged 16 to state retirement age (16–64 for males; 16–59 for females).

Annex E – Map of ethnic minority working age population

The employment rate gap exists across regions where ethnic minorities concentrate...

Almost half of all ethnic minorities are concentrated in London. This increases to over 70 per cent if you add the areas of the West Midlands, West Yorkshire, Greater Manchester and the East Midlands.

Percentage of working age population from ethnic minority groups in all local authority districts in Great Britain



Further copies of the Year 1 Progress Report are available.

Please write to:

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The summary report is available in Welsh and summary versions are available on request in Braille and on audiocassette. The summary report will also be available on our website in a range of ethnic minority languages.

The Year 1 Progress Report can also be accessed at:
www.emetaskforce.gov.uk

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