

Jack Dromey MP
House of Commons
London
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Our ref: 336Dromey

Date: 15 September 2016

Dear Jack

Re: Plea to the Equality and Human Rights Commission Board

Thank you for your letter of 8 September.

I very much welcome and appreciate your interest in and support for the work of the Commission. You make particular reference to our work on pregnancy and maternity discrimination, our race report and our report on the cleaning industry and we are pleased with the impact these have had. Our Strategic Plan also covers a wide range of other areas and I would be more than happy to discuss them at a time convenient to you.

I agree with you that the work of the Commission is particularly important in the context of the divisions currently apparent in Britain and in the political and economic environment. I would like, however, to reassure you that there is no question of the Commission having “agreed”, as your letter suggests, to a twenty-five percent cut to its budget under the 2015 spending review. This cut was imposed rather than agreed, in line with similar funding reductions faced by other public sector bodies and despite consistent arguments to the contrary, by my predecessor and senior management as a matter of record, on numerous occasions. Since my own appointment, I have strongly reiterated those concerns at the highest level and at the earliest opportunity.

Given the spending review outcome, sadly the Commission has had no choice but to review and restructure its operating model, and in doing so it has taken account of two other factors of equal significance. One is our three year

Strategic Plan, which was subject to public consultation and was laid in Parliament in April of this year and which the Commission must be able to deliver. The other is a staff survey undertaken by the Commission in 2014, which resulted in a clear and overwhelming demand for cultural change across a very broad range of aspects of the Commission's operations. The new operating model is therefore designed to deliver the improvements staff have sought, and to enable us to function with greater efficiency to deliver our Strategic Plan, even with a reduced budget.

Commissioners have satisfied themselves that the Commission is properly structured and resourced to deliver its strategic aims and objectives. That said, I do appreciate your concern. It might be of interest to you if I explained the following:

- 1 The trade unions themselves, among others, have raised concerns that any loss of roles should not lead to the loss of skills that has been seen in previous Commission restructuring exercises when valuable staff left the Commission under voluntary exit schemes. The same exercises have led to a structure which, by default rather than design, is disproportionate at its senior and most junior levels. The executive have agreed on the importance of preventing this, which is why exits will only be agreed where they satisfy the Commission's business needs, following rigorous and transparent assessments. It is not therefore possible to guarantee that there will be no compulsory redundancies. However, the executive has put in place a number of additional redundancy mitigation measures in the hope that these can be minimised.
- 2 I agree with you that the Commission in the past has relied too much on interim resource. In fact, this has been largely addressed through a reduction from a spend of £8.8 million in 2009/10 to a predicted spend of £0.72 million this financial year. The operating model itself, when it comes into effect, will involve a still lower interim spend. However, we cannot guarantee to avoid interims altogether, as it is occasionally necessary to use them when the Commission has need for specific skills which the Commission does not possess. This will always be on a short term basis.

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- 3 The Commission is a learning organisation and constantly ensures its decision-making is based on lessons learned from previous exercises. Recent reviews of many of its functions have been carried out, including in relation to Legal, Communications, Human Resources and Human Rights. We work closely with internal auditors who constantly review and feedback on our operations, including on the operating model.
- 4 I can assure you that members of staff in the satellite offices are not at greater risk than those elsewhere in the organisation. We are discussing a range of alternative working arrangements, including homeworking. Unfortunately, in order to meet the demands of a reduced budget, we are forced to review all operating expenditure. In the climate of reduced income it was clear that our smaller offices were not viable. Closing them does, however, enable us to retain more staff. You may not be aware that staff currently deployed in those offices are not carrying out regional work. The more large-scale reduction in the Commission's budget some years ago required us to discontinue that aspect of our work which is now carried out centrally through our research and strategic engagement teams. Indeed, we hope the new structure, with our first ever Executive Director responsible for England, will enable a greater focus on regional outcomes and variations.
- 5 As you will be aware, the Commission has now lost funding in the region of three-quarters of its original budget. This has necessitated a fundamental re-consideration of its remit and methodology. The Board considers that the Commission is most likely to have the impact it seeks through the roles it has enunciated in its Strategic Plan: catalyst for change; information provider; influencer; evaluator and enforcer. We do not have the resources to provide frontline casework support for individuals seeking redress for discrimination and instead our strategic litigation policy (which you can see on our website) prioritises cases which are (for example) likely to clarify the law or where there is significant impact on a large proportion of the community. It is not our role to replace the capacity which has been lost in the advice sector and through legal aid. Instead, we have focused on addressing systematic issues through strategic interventions, including in cases

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challenging the availability of legal aid or aspects of employment tribunal fees. What limited funding we do have is committed, under our strategic plan, to funding work amongst other things to deliver improvements for groups currently disadvantaged in relationship to educational attainment and work to promote equality into routes into work - just as it was used in the previous year to fund the work on pregnancy and maternity discrimination which you kindly referred to as remarkable.

- 6 You made a reference to trade union members being targeted for dismissal. I can categorically assure you this is not the case and would take extremely seriously any such allegations. If you are aware of any evidence in support of these claims, I would be extremely grateful if you could forward it to me immediately.

- 7 The Board appreciates that some members of staff might prefer the impact of the cuts to fall later. In fact, there is only a margin of two years from the date the operating model is due to be implemented and the date when the full 25% reduction to our expenditure has to be delivered, and we expect our budget to be reduced incrementally in each year of the spending review. The view of the Commission is that the alternative to implementing the operating model now would be to restructure the organisation on an annual basis for the next three years. This would greatly reduce output during that period, as well as prolonging the stress and anxiety of staff, the vast majority of whose role in the new organisation will be secure. That being so, we have nevertheless agreed that where at all possible, we will prolong the notice period of those affected in roles where we might be able to continue employment for a fixed period.

- 8 While it is true that the Commission has not yet been informed of our precise annual budget for the next three years, we have been notified that we will need to make cuts over the spending review period of approximately 25%. We cannot afford to delay implementation of the new operating model, as this will impact on the important work of the Commission and the delivery of the Strategic Plan. However, the continuing uncertainty about our budget for future years is a matter of

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the gravest concern to the Commission and we have raised it with our sponsoring department frequently and at the highest level. At the same time, we continue to argue for a settlement which will protect the greatest number of jobs.

- 9 You raise a concern about disabled members of staff and those from black and ethnic minority communities. I can assure you that the operating model was consulted on exhaustively with all staff and that this was done transparently with a focus on the most effective structure for the Commission rather than the individuals in the posts affected. At this stage, it is not possible to know exactly which members of staff will exit the organisation. I am proud that Commission has a very diverse workforce when compared to the wider public and private sectors. Our Board and senior management team have already made excellent progress on gender diversity in senior positions in recent years. It is nevertheless the case that we need to strengthen development and progression opportunities for all staff, including disabled and ethnic minority staff, who remain under-represented in senior positions. The operating model proposes a stronger focus on driving progress in this area through new training and mentoring schemes to support more minority ethnic and disabled staff into leadership positions.

- 10 Lastly, I can assure you that the Commission is firmly committed to transparency and proper consultation at all appropriate points. It would not be appropriate for internal restructuring to be the subject of external consultation. However, staff and unions were fully engaged both in developing the operating model (which benefited considerably from their input) and in meaningful consultation under the Cabinet Office Protocol for Handling Surplus Staff. Indeed, the Commission made a significant number of concessions during this process. The Commission's work is designed to fulfil the Strategic Plan, which was itself the subject of a public consultation which attracted a great deal of interest and feedback, both through written responses and stakeholder meetings. We are committed to delivering what we were asked to do as a result of that process.

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Thank you again for your interest in the Commission. I share your ambition for its work and your concern for its future and genuinely appreciate you sharing these issues in the way that you have. I would be more than happy to meet to discuss further.

Yours sincerely



David Isaac
Chair

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