

**HM CUSTOMS AND EXCISE**  
**RACE**  
**EQUALITY**  
**SCHEME**  
  
**TRIENNIAL**  
**REVIEW**

## GLOSSARY OF TERMS

<b>RES</b>	<b>Race Equality Scheme</b> - A report outlining how HM Customs and Excise is working towards the elimination of discrimination and the promotion of equality of opportunity and good race relations in dealing with the trading and travelling public as well as within the Department.
<b>HMC&amp;E</b>	<b>HM Customs and Excise</b>
<b>HMRC</b>	<b>HM Revenue and Customs</b>
<b>IR</b>	<b>Inland Revenue</b>
<b>BS&amp;T</b>	<b>Business Services and Taxes</b> - is responsible for the collection and operational policy development of taxes, the main ones being Vat, Excise Duty and Customs Duty.
<b>LE</b>	<b>Law Enforcement</b> – responsible for tackling deliberate non-compliance and organised criminal attacks on the revenue and protecting the UK's borders.
<b>L&amp;F</b>	<b>Logistics and Finance</b> – responsible for providing corporate services to HM Revenue and Customs, at an affordable cost and quality, which enable the Department to achieve its delivery and efficiency targets.
<b>RBS</b>	<b>Regional Business Services</b> – part of Business services and Taxes and are directly responsible for the collection of tax.
<b>KOLA</b>	<b>Keeping our Links Alive</b> - An ethnic minority network which supports and influences development of the Department's equal opportunities and diversity policies, identifies and highlights key issues, supports network members.
<b>BME</b>	<b>Black and Ethnic Minority</b>
<b>PA</b>	<b>Personal Appraisal</b> - The Personal Appraisal system is the means by which each individual employee's performance is assessed.
<b>SBU</b>	<b>Small Business Unit</b> – their role is to champion the interests of small businesses across Departmental strategy, policy and operations; ensuring that the way indirect taxes are managed encourages enterprise and growth and the regulatory burden is kept to the absolute minimum.
<b>BLT</b>	<b>Business Liaison Team</b> - part of Regional Business Services their role is to devise, research and deliver the most appropriate products to educate and support businesses in VAT, International Trade and Excise.
<b>REAP</b>	<b>Race Equality Advisory Panel</b>

**RRAA      Race Relations (Amendment) Act 2000**

## Introduction

Until the 17<sup>th</sup> April 2005 HMC&E was responsible for collecting indirect taxes and enforcing Government requirements relating to the movement of goods into and out of the UK. Our focus was on managing certain major risks on behalf of the Government and the public. We had direct contact with the business community and the travelling public and saw it as essential that we met both our legal obligations and maintained the support and confidence of the public and our own people.

This report covers the period 1<sup>st</sup> June 2003 to 17<sup>th</sup> April 2005. The end date is due to the merger of the two Departments on 18<sup>th</sup> April 2005.

Over the three years of the action plan, diversity managers in each of our business areas and the policy team have taken forward our **RES action plan**. The Plan is a living document, and we have made a commitment to continue to revisit it until such time as a new RES action plan is produced for HMRC.

This report seeks to:

- Record the work completed in the period 1<sup>st</sup> June 2003 to 17<sup>th</sup> April 2005 and provide an update on any outstanding issues from year 1.
- Identify issues that have emerged from the completed equality assessments and the steps we have taken to address them.
- Assure the public and our staff that the Department is committed to use the Race Relations (Amendment) Act 2000 effectively to make real changes in the context of both service delivery and employment.

## 1. MEETING THE RACE RELATIONS AMENDMENT ACT

The Race Relations (Amendment) Act 2000 (RRAA) defines direct and indirect discrimination, and victimisation. It outlaws racial discrimination in employment, training, education, housing, public appointments, and the provision of goods facilities and services. The Act came into force on 2<sup>nd</sup> April 2001 and since then it covered all the functions of public authorities (with a few exceptions). The Act places both a general and specific duties on public authorities including HMC&E.

### 1.1 General Duty

Section 71 (1) of the Act places a general duty on HMC&E as a public authority to have due regard for the need:

- To eliminate unlawful racial discrimination
- To promote equality of opportunity
- Promote good relations between persons of different racial groups

The aim of the general duty is to promote equality of opportunity and good race relations and to prevent unlawful discrimination in the work of the Department. In practice, this means the Department must take account of racial equality in the day-to-

day work of planning, policy-making, service delivery, regulation, enforcement, and employment practice.

## **1.2 Specific Duty**

In addition to the General duty the Act also places specific duties on the Department. The specific duty involves making arrangements that helps to meet the general duty to promote race equality and are listed below:

- Publishing a race equality scheme
- Identifying relevant functions and polices
- Arrangements for training
- Arrangements for making sure the public have access to information and services
- Arrangements for monitoring policies for adverse impact
- Assessing and consulting on the likely impact of proposed policies
- Publishing assessments, consultation and monitoring reports

See Annex A and B for details of monitoring

## **2. PROGRESS AGAINST THE DUTY TO DATE**

### **2.1 GENERAL DUTY**

#### **Central initiatives**

##### **• Race Action Workshop**

In January 2004 we held a Racism Workshop, which provided us with a sound platform to identify problems encountered by ethnic groups. We have acted on concerns by:

- The Chairman making a visible statement outlining the Department's commitment in tackling racism in the workplace.
- Making 'Working with Diversity' training mandatory to all staff.
- Working with Personal Development to ensure that the management training programme includes handling difficult situations.
- Driving forward the mainstreaming of diversity into all existing training programmes.
- Reviewing the perception that staff from ethnic groups are fearful of raising grievances because of repercussions from their managers.
- Promoting a 'Mediation' service, to help to resolve any issues.
- Put systems in place for managers in LE, London to report any complaints or potential complaints from staff so that these can be monitored and dealt with and appropriately.
- Looking at ways to improve the recording of ethnicity of staff so that we can provide accurate statistics.

- **Race Equality Advisory Panel**

Through the course of the HMC&E scheme we have paid particular attention to how the Law Enforcement function of HMC&E deals with assessment and consultation. As a national body, with a significant international dimension it is not always apparent where the best route for consultation lies. In confronting this issue we have concluded that some external help is necessary and have now recruited a panel of prominent professionals who will assist us with assessing and consulting over new policies. The REAP will be formally announced as part of the new HMRC Race Equality Scheme.

- **Keeping Our Links Alive (KOLA) network**

We work closely with the KOLA network actively seeking to raise awareness of race issues and we have supported their initiatives, which include:

- a series of presentations with regional business heads
- Gaining commitment and being involved in Regional Diversity strategy
- Mentoring schemes

We have also supported KOLA in their role:

- Working with a programme interface in mentoring black and ethnic minority graduates.
- Involvement in Civil Service Equality network addressing issues across the Civil Service.
- Working in partnership with local Business Enterprise Team to consider use of ethnic minority staff at Enterprise events.

The use of staff networks in HM Revenue and Customs has been agreed. We are currently working on the terms of reference and how the networks will operate.

- **Volunteering Strategy**

Our strategy is based on the Prime Ministerial initiative to get more people actively involved with their communities. The strategy aims to create a more inclusive, diverse and fair society by giving people the opportunity to develop work based skills which will stand them in good stead in seeking full time employment. The Department supports the principle of volunteering and encourages staff to become involved in voluntary activity in the community.

- **Pathways 4 scheme**

We actively promoted a Cabinet Office scheme, which invited applications from senior managers from ethnic minorities for the Pathways 4 leadership development programme. Pathways 4 is designed to identify and develop senior managers with the potential to reach the Senior Civil Service. Pathways is one of several routes that provides an opportunity for all concerned to respond to the diversity agenda and to the challenge of increasing representation. Regional Business Services North is currently

taking part in a one-year programme. Four executive trainees and four administration trainees are being given the opportunity to work as a member of a team to gain work experience and develop employment skills. The Department meets the cost of a training and travel allowance and childcare costs. Of the 8 trainees, one has picked up a casual post and the other 7 are applying for Band 2 posts and are all interested in staying with the Department.

- **Recruitment of Overseas Liaison Officers (OLOs)**

LE intelligence have analysed recruitment results for OLO's and have found very low numbers of applications from women and ethnic minorities. In addition, that people from ethnic minorities fared much less well at the interview stage compared with white applicants. A focus group has discussed the issues and decided to introduce radical change to the selection procedures, to hold an open evening to encourage a more diverse applicant pool, to select sift and interview panel members with diversity and fairness in mind and to use a different language aptitude test.

- **Talent Spotting**

LE and L&F have set up talent spotting workshops for Band 11s and Band 9s who will be responsible for identifying and nominating potential as soon as possible. This was driven by the need to address the small numbers of women and ethnic minority members of staff at Band 7 and above. The workshop is very practical and participative and focuses largely on how we measure and rank levels of performance.

- **Racism in the Workplace**

Our HR Director has taken the lead for a paper on 'Racism in the Workplace'. The paper outlined action to be taken on the Departments commitment to tackling racist behaviour and improving our workforce diversity. The paper identified that more needs to be done to demonstrate commitment to addressing under representation and improving the perceptions of the department. The action points have been incorporated into the Race Action plan and communicated to regions to be delivered.

- **Interface mentoring programme**

HMC&E participates in the Interface Mentoring Programme. This is a University positive action initiative that tries to address the imbalance that exists in the success rate of ethnic minority group graduates in seeking employment compared with their white peers. The scheme pairs HMC&E employees, to act as mentors to ethnic minority students. The aim is to develop mentoring skills in business as well nurturing the person/professional development of ethnic minority graduates.

### **Regional Initiatives**

- **Recruitment**

RBS North has been considering ways in which to change recruitment practices to improve diversity within the region. In Salford they have trialed a competency-based recruitment exercise. The exercise was to recruit band 3 staff into the visit booking

team, an area that has problems retaining staff. The exercise was designed to attract a wider range of applicant's thereby addressing issues of diversity and staff retention at the same time. RBS North has also reviewed the way vacancies are publicised and redesigned adverts to increase impact and appeal to a wider audience. The number of applicants from BMEs increased over 50% from 17 in previous exercises to 41 in this.

- **BALTI – Business and Learning Together Initiative**

This event was the official launch of a strategic working relationship between IAB (Institute of Asian Businesses) the Asian Balti Restaurant Association (ABRA) and the Department. Staff have built links with ABRA, who represent the vast majority of Asian restaurants in the West Midlands and will continue to work with them to break down some of the barriers that have built up with the aim to facilitate the industry to comply with their legal obligations.

- **Small Business Unit - (SBU) – Serving the Wider Community**

The Department is active in reaching out to people from all communities to ensure that they have access to our services. As part of our Budget 2003 commitments the Department was asked to deliver “a programme of awareness raising events in Enterprise Areas, designed to encourage businesses to attend Business Advice Open Days (BAODs)”:

- In Leicester we worked with local communities (indeed one satellite event was conducted entirely in Gujarati), and as part of that initiative met with the community groups and was interviewed by community TV and radio.
- In Bradford we worked with Asian and Chinese community groups to engage with them and encourage attendance at the open day, and again was interviewed by the local radio station.
- In Birmingham SBU set up a series of stand-alone satellite events for the Asian community.

- **Business in the Community (BITC)**

- A national movement of over 700 UK companies committed to improving their positive impact on society. It covers all regions of the UK.
- Regions are involved with community based projects held in areas where there is a high ethnic minority or disadvantaged population.

- **Performance Appraisal (PA) & Interview Panel Workshop**

During year 3, KOLA have organised PA workshops for Black members. These workshops were established to explain the PA system in detail to help staff to develop themselves, to demonstrate the advantage of the system to Black members of staff and to answer any questions and concerns that members had.

London KOLA organised two workshops on the 9 December 2004 and 25 February 2005.

This year, 2005 – 2006, London KOLA are planning to organise more one-day PA workshops, plus follow-up exercises where members who have attended the PA workshop will be invited to sit in mock interview sessions.

- **Getting Asian women to work.**

RBS central have joined forces with an NHS Trust to help ethnic minorities in particular Asian women get work. One day introduction to computing courses have been run in the Birmingham office to help with necessary work skills.

- **New Approach Teams**

RBS North have undertaken a project in Bradford, Burnley and Sunderland where, in partnership with Business Link (a DTI agency) and the Inland Revenue additional help is being given to small businesses. The businesses are made up of a high proportion of Asian traders. The 'new approach teams' visit newly registered VAT traders and offer guidance on various accounting methods. Open events have also been held at community centres, libraries, supermarkets, and mosques. The aim is to engage more comfortably with the local community and change perceptions of the Department.

- **University of Central England (Birmingham) Mentoring Scheme for Ethnic Minority students.**

A positive action initiative that tries to address the imbalance that exists in the success rate of ethnic minority group (EMG) graduates in seeking employment compared with their white peers.

The scheme pairs professionals (mentors) to ethnic minority students (mentees) with the aim of encouraging mentoring skills in business as well as nurturing the personal/professional development of the mentee.

RBS Central has participated in the scheme with two volunteer mentors. First time mentors require training of 3 or 4 days over a 2-week period. The scheme lasts from November to May each academic year with monthly meetings.

- **Festivals and Cultural Events**

RBS Central regularly sends representatives to Diwali celebrations across the region. These events are used to raise awareness of job opportunities in the Department. They also attend a major celebration of Asian culture (Mega Mela) held at the NEC Birmingham. Motiv8 Youth, a youth event in Aston (a predominantly black afro-Caribbean district of Birmingham) was also attended. This event was to show support for an area much plagued by crime.

RBS Central were also invited to attend the Authentic Food market event by the Economic Development department of Birmingham City Council. Through the show

staff were able to ensure that the ethnic food business community are given every opportunity to comply with their legal obligation by providing information and advice. Workshops on importing/exporting were also made available.

- **Satellite Events**

The Business Liaison team is undertaking a series of satellite events to promote and support the Department's programme of Business Advice Open Days. The business advice open days are free events designed for small and medium sized businesses to obtain information and advice.

The aim of these satellite events is to reach minority businesses that do not attend the large scale open day events and raise awareness of the support that the department and other business support agencies offer.

## **2.2 SPECIFIC DUTY**

### **Publishing a Race Equality Scheme**

HM Customs and Excise published its Race Equality Scheme on 31<sup>st</sup> May 2002. The scheme gives details of:

- The Department's goal, key aims and objectives
- The Department's structure and
- How the Department plans to meet its statutory duty under the act

### **Identifying relevant functions and policies**

Along with the Race Equality Scheme we also published a Race Action Plan. This action plan sets out the actions that the Department will take in support of the Race Equality Scheme. It outlines what actions the Department has taken and we are already doing to support Equality and Diversity.

### **Assessing and consulting on proposed policies**

Throughout the two years our business-based diversity managers have continued to work with policy teams to increase understanding of the statutory duty and the Department's responsibilities under the race legislation.

The Race Equality Scheme has posed many challenges to the Department's businesses in respect of future consultation. We use a number of methods of communication to ensure compliance, including:

- Workshops/conferences
- The Small Business Unit
- Staff networks
- Surveys
- The External focus Group

- The Business Liaison Team
- Trade Unions

### **New policies**

In the years 1<sup>st</sup> June 2003 - 31<sup>st</sup> May 2004 and 1<sup>st</sup> June 2004 - 17<sup>th</sup> April 2005 we have introduced a number of new policies (see Annex C). An initial assessment of these policies found that none of them were relevant to the General Duty.

Throughout the period of this report we also dealt with various requests and outcomes to consider whether changes to policy were necessary and to develop new legislation. All of these requests have been assessed to ensure that there is no adverse impact under the Race Equality Scheme:

- Ideas to improve the operation of tax
- Closing tax avoidance loopholes
- Consultation
- Amendments to Acts following the repeal of laws by other Departments
- Ministerial requests
- Commitment to legislation
- To provide another Department with a legal basis for reimbursing VAT
- Representations from the trade
- Tax Reform
- Outcome of EC Directives
- Outcome of Court of Appeal rulings

### **Arrangement for Training**

We have continued to build on the success of year one, ensuring that training and guidance was already available. Our Personal Development team has been working with Diversity to produce Positive Action Ethnic Minorities (PAEM) packages. These include:

- **The Web Package**

This package will:

- Contain useful reference material and information for students working through the programme along with any information from the PAEM course, which can be successfully provided in this format.
- Allow access to the Achieving Potential Personal Development programme modules.
- Explain how students can access a dedicated intranet forum to share ideas and experiences whilst working through the programme.

- **Achieving Potential Open Learning Programme**

This is an open learning personal development package with an emphasis on the particular needs of students from minority groups. Whilst the majority of the content

is relevant for anyone who wishes to develop themselves, the modules are essentially self contained but for positive action for ethnic minorities (PAEM) they will form part of a wider learning programme.

- **Achieving Potential involves**
  - A skills assessment
  - Creating a personal development plan
  - Line manager support
  - A series of developmental modules to work through
  - Choosing a mentor
  - Creating developmental action plans
  - Undertaking a work based project

The programmes will be fully evaluated mid 2006

- **Face to face classroom events**

This is face-to-face peer based training days these will be a mixture of local classroom training and a consolidating two day residential event.

Although we have not looked specifically at training in LE, some of the work associated with the equality assessments has led us to take this opportunity to enhance the training we provide. Up until now, diversity (and race awareness) training has been delivered separately from basic professionalism and leadership training. We now propose to fully integrate the LE training regime to reflect the central role of diversity in all that we do. There is also a programme of refresher training in place, at key locations, where this new approach will be delivered.

- **Developing a joint equality and diversity training prospectus for our new Department**

Over the last 12 months we have been developing the range of training products available to help achieve our equality and diversity goals. We have specifically produced a prospectus of existing and proposed training products and are comparing this with what is currently available to Inland Revenue staff. This exercise will enable us to produce a definitive training catalogue for our new Department. During this development phase we have begun piloting our revised positive action training programme and our new open learning development programme.

- **Diversity training for all staff**

Our programme of diversity training has continued to be delivered across the Department. The delivery figures for the last three years appear below:

2005 to date - 395 students  
2004 - 620 students  
2003 - 1311 students

- **Positive Action Ethnic Minorities training**

Our revised positive action training programme (mentioned in last year's update) is currently being piloted at 3 locations. The programme involves 5 days of classroom training (including 3 days residentially) along with around 16 hours of personal development training in an open learning format (Achieving Potential).

- **Achieving Potential - Open Learning Personal Development Programme**

Achieving Potential is currently being piloted by around 45 students. Initial reaction has proved favourable and a full evaluation will be conducted at the end of the programme.

- **Awareness raising training for all staff**

We have developed two units dealing with race and cultural awareness. One for all staff and one for managers. These units are currently part of a proposed range of training products being considered by the Equality & Diversity Team and will be piloted once the training strategy for both Department's has been agreed.

### **Arrangements for making sure the public have access to information and services**

In August 2004 the department launched its new website. This included new and enhanced services allowing users to submit VAT returns and change their details on line – and further online services including e -VAT Registration and Direct Debit facilities are being delivered incrementally during 2005. The web services were developed following extensive research into user requirements, with users being involved in the design of the site.

The Web Operations team have published a style guide in respect of writing for the web, which includes a section relating to minority groups, recommending the use of positive language and avoiding outdated terms that stereotype. The style guide is part of our guide to authors and content managers and forms part of the standards and policies that must be adhered to for content to be accepted and published on either our intranet or internet sites. Web Operations have also liaised with the Equality and Diversity team, to provide links and authors for all content previously published with a focus on equality and diversity, so they could review future publications.

It is planned to set up an electronic services Focus Group to influence current and future services in order to provide customer focused, user friendly and accessible web services. The Group will be invited to take part in independently facilitated discussions and provide feedback through questionnaires, surveys, and usability sessions. The group will include individual business interests, or trade bodies, and will seek to include members representing individual ethnic minority users and business associations.

## **Arrangements for Monitoring**

- **Ethnicity Survey**

Our on line Human Resources Management System (HRMS) went live on 3<sup>rd</sup> August 2004. This allows staff to declare their ethnic origin using the categories introduced in the 2001 census. In line with Cabinet Office guidance and the Council of Civil Service Unions agreement the data has been collected on the basis of voluntary self-classification. Despite a range of initiatives there continues to be some reluctance by staff to complete the ethnicity survey. As at 1<sup>st</sup> April 2005 the response rate was 65.6% compared with 63% in 2004 and 58.9% in 2003. Although this indicates an increasing response rate it means that we are unable still to provide accurate trends. As the newly formed HM Revenue and Customs (HMRC) we are investigating ways of increasing the response level.

- **Employment monitoring**

As part of the our specific duty laid out under the RRAA, the Department is committed to a policy of equal opportunities for all its staff, regardless of their gender, marital status, sexuality, disability, age, religion, colour, nationality, ethnic origin, employment status, HIV status, or trade union activities and believes that people should advance on the basis of suitability and ability for the work.

## **Arrangements for monitoring policies for an adverse impact**

This section outlines the policies we have monitored and on those that are ongoing. Our programme is broken down into three business areas.

Through the course of the RES Action Plan organisational change within HMC&E has had a considerable impact on a number of the functions we originally set out to assess. One significant example of this is the transfer of our prosecutions function to a new agency, the Revenue and Customs Prosecutions Organisation. It is also the case that some functions have changed to such an extent as to render an impact assessment meaningless. On the counter side we have added functions to the plan which were not in the original published version.

*All policies listed in our race action plan will be carried forward to assess their relevance for the new RES in HMRC.*

## **BUSINESS SERVICES AND TAXES**

### **Policies screened for Adverse Impact**

- **Risk Models /central risks analysis and local risk assessment**

A RES Compliance Action plan was completed by the VAT Operational Management Team – the plan included an internal risk matrix focussing on potential risk areas. This included consideration of Central risk and an emphasis on local risk processes, with RES actively considered as part of the review of risk management – the plan also included a review of guidance, training and management assurance – awaiting progress report.

- **E-business developments**

Meetings and presentations on implications of RES were given to various members of the E-business teams.

Delivery Managers for each work-streams considered the issues/questions in relation to RES and planned additional work into their projects.

- **Complaints**

Continuing difficulties with setting up a new database have prevented us commencing our monitoring of complaints by ethnicity. Much of the necessary groundwork has been completed including meetings with Managers of Complaints Units, and guidance on the collection, storage, and use of sensitive data.

Three locations have been selected to pilot the programme and it is hoped to have the programme up and running soon.

**Policies subject to a more detailed monitoring process (shown as impact assessment in the Race Action Plan)**

- **Business, education, support and advice services (includes National Advice Service and Complaints handling)**

The National Advice Service (NAS) completed an assessment using two user survey, the second survey using an external agency (British Market Research Bureau). Both surveys included a breakdown of users by ethnicity.

Following consideration of the survey results the main outcomes included:

- Website adapted to facilitate callers/writers whose first language is not English through homepage 'contact us' option.
- Advertising availability of translation service.
- Use of 'language line' for three way contact by telephone callers whose first language is not English.

- **Debt Management (includes time to pay, distraint proceedings and insolvency)**

An impact assessment on Time to Pay (TTP) requests was completed using three locations (Northampton, Chesterfield and Croydon).

A spreadsheet was devised to capture the results of the telephone contacts. The spreadsheet categorised the ethnic groups along the lines drawn up by the 2001 census and also captured reasons why TTP requests were granted or refused.

The main outcomes were:

- Over 500 telephone contacts were made – only 9 individuals refused to confirm details of ethnicity.
  - No evidence emerged of any adverse impact on equality of opportunity, however further analysis is being carried out to confirm the ratios of ethnic groups in the survey to reflect trader population.
  - The present literature on ‘help to pay’ VAT may be a barrier to taxpayers whose first language is not English – this will be addressed by raising awareness through our Advice Services and by providing ‘language line’ and translation service.
  - External research also indicated religious/cultural attitudes to debt may preclude some groups seeking help in times of financial difficulties – or even falling into debt in the first place.
- **Registration/authorisation and deregistration (across all regimes & the VAT Registration threshold policy)**

An impact assessment was carried out by National Registration Service, Functional Management Team (FMT) in respect of the operational area of maintaining the VAT register (MTR) – The assessment considered the parameters for risk assessment, the law relating to registration policy, guidance forms and application procedures. The assessment found no evidence of adverse impact or public concern that the policy is affecting racial groups differently or adversely.

Following a VAT Business Needs Survey the FMT is also taking forward the following:

- reviewing the quality of written communication and evaluating inbound telephony to improve the service.
- Introducing an on-line registration capability with an improved layout to the application form, clearer questions, and enhanced guidance and links – consultation on the on-line included representatives from ethnic minority groups.
- A re-write of the paper application form as above - consultation will include representative of ethnic minority groups.

## **LOGISTICS AND FINANCE**

### **Policies screened for Adverse Impact**

- **Performance management and appraisal (including poor performance)**

Following the collation of mid-year performance markings we have identified concerns at both the top and bottom ends of the performance range. We have commissioned an independent equality consultant to examine our system and the guidance that supports it. Recommendations to take this issue forward have now been produced.

- **Absence/attendance (including flexible working & working time regs)**

In high level screening no differential impact was identified therefore no further action deemed necessary

- **Induction**  
In high level screening no differential impact was identified therefore no further action deemed necessary
- **Grading and Job Evaluation**  
In high level screening no differential impact was identified therefore no further action deemed necessary
- **Probation**  
In high level screening no differential impact was identified therefore no further action deemed necessary
- **Conduct / grievance**  
In high level screening no differential impact was identified therefore no further action deemed necessary
- **Retirement & early release**  
In high level screening no differential impact was identified therefore no further action deemed necessary

**Policies subject to a more detailed monitoring process (shown as impact assessment in the Race Action Plan)**

- **Appointment and Succession Planning** – See Annex D
- **Recruitment**

A review of our recruitment policy and delivery has been conducted. A number of changes have been proposed to ensure flexibility in the system and to address a wider range of applicants. The recommendations are being considered with other policyholders and will be published in due course.

**LAW ENFORCEMENT**  
**Policies screened for Adverse Impact**

- **LE Agent**

LE Agent is a project we have undertaken to increase professionalism within Law Enforcement. The proposals affect training, recruitment, probation, mobility, appraisal and career paths. In order to determine whether there was any disproportionate impact within these proposals we used our newly developed screening tool to make an assessment. In some minor aspects of the proposal we did detect the potential for adverse impact and amended the plan accordingly. The exercise showed the benefit to the business as a whole of screening policies for adverse impact.

**Policies subject to a more detailed monitoring process (shown as impact assessment in the Race Action Plan)**

- **Information Law** – See annex E
- **Translation Service** – See annex F
- **Money Laundering** – See annex G
- **Strategic, tactical and operational analysis of intelligence** – see annex H
- **Search of Persons/profiling/freight and custody**

This has been the priority impact assessment for Law Enforcement. The function is mostly carried out by uniformed officers at the frontier, supported by central and local intelligence officers. Because of the high public profile of this activity we engaged an independent equality consultant to conduct the impact assessment.

The assessment was focused on four key factors:

- The use of intelligence and profiling
- The training given to officers
- The guidance provided
- The regulation and monitoring of the function

The report drew some important conclusions:

- Detection teams have an extremely difficult task in enforcing prohibitions and restrictions without unduly disrupting the flow of passengers and freight. They must apply intelligence and trend information to passenger challenge. Some of this points to particular regions and routes which when applied will result in justifiable adverse impact against travellers from particular racial groups.
- Nationality and ethnic appearance are not generally included with intelligence reports.
- The method of recording and presenting search data, showing the number of searches performed rather than the number of people searched, was potentially misleading. This has been subject to a separate review and amendments have been made.
- Officer training needs to be enhanced to include greater understanding of cultural issues. Operational training should incorporate an understanding of diversity and discrimination, which will help enhance effectiveness. A formal analysis of training needs will be completed shortly.
- Passenger challenge carries the greatest risk of adverse impact and requires constant monitoring, including where searches are unsuccessful.
- The report identified a number of areas of low risk, which could quickly change if nationality became a trend issue. Recommendations for monitoring have been accepted.

- The report recommends a pilot monitoring study using 16 plus 1, to be conducted immediately.
- **Activities associated with the Police Act and the Regulation of Investigatory Powers Act 2000 (RIPA)**

In our Action Plan we broke down these investigation functions into the following headings:

- Covert activities
- Authorisations
- Premises search
- Operational authorities
- Seizure
- Associated persons and businesses
- Collection, collation and recording of evidence
- Witnesses
- Case handling, decisions, control and management

The reality of these activities is that they are all likely components of a typical investigation so we approached the assessment exercise by sampling a random batch of recently concluded cases. The cases were drawn from four different teams and covered:

- Heroin and cocaine smuggling
- Money laundering
- Tobacco smuggling
- VAT fraud

The review of these cases was conducted by Risk Managers, who examined the authorities and reasons for covert activities and premises search in all cases in conjunction with the case handling, control, decision-making and management papers. The work assessed Police Act and RIPA applications and further considered the decision-making process for the arrest, charge and bail process.

RIPA and Police Act applications are completed by the case officer but then pass through several layers of management reducing bias and the threat of bias to negligible levels. Production Orders, Access Orders and Search Warrants must additionally pass through the courts, adding further control.

The RIPA and Police Act authorities, in all cases, recorded the reasons for the take on and cancellation of a target in a clear and transparent manner. The RIPA, Police Act and arrest applications show no hint of any racial or ethnic bias in the investigation process. The review made the following recommendations:

- Risk Managers should include ethnicity monitoring as part of their annual risk assurance plans.
- CENTAUR, a new central database, should include an ethnicity field for all nominals to ensure accurate, easy statistical monitoring.

\*It should be noted that these activities are monitored independently by the Office of the Surveillance Commissioners.

### **Impact Assessment relevant to the Solicitors Office**

During the term of the Race Action Plan the Solicitor's Office has been subject to significant restructuring which has led to the creation of Customs and Excise Prosecutions Office (CEPO). This new body comes under the control of the Attorney General's Office and is independent of HMC&E. Therefore the decision has been taken to remove its functions from our Department's RES. A list of functions that were originally listed in the RES are below:

- Obtaining freezing, restraint & forfeiture orders
- Prosecution of offenders
- Selection of counsel (Barristers/Solicitor Advocates)
- Extradition procedures
- Costs & Fees procedures

### **3. CONCLUSION**

This report outlines the progress made in years two and three of the RES and also provides an update on the outstanding issues from year one.

Due to the introduction of HM Revenue and Customs the action plan produced for HM Customs and Excise in May 2000 will no longer be carried forward. Overall we are happy with the work we have progressed within the scheme. We have achieved a lot over the period of the plan. All aspects in the plan will be re-visited and relevance considered for our new scheme under HMRC. We will also capitalise on the experience we have gained to ensure the new plan meets our legal obligations, is business focused, supports our goal to achieve best practice and is responsive to change.

Chris Grace  
HR Diversity Policy  
10<sup>th</sup> August 2005

## Employment Monitoring

### Ethnicity Survey

In 2001, along with all Government departments, we resurveyed our staff on their ethnic origin, using the new categories introduced in the 2001 Census. In line with the agreement between the Cabinet Office and the Council of Civil Service Unions, the data has been collected on the basis of voluntary self-classification. We are encouraged by an almost 5% increase in response rate as at 31 May 2004. This has now increased to 63%.

### Monitoring

One of the issues that we identified was that the Department's personnel database was incapable of providing all the information needed to meet our general duty under the Race Relations (Amendment) Act. Our new Human Resource Management System (HRMS) went live in July 2004 but we are now encountering some difficulties. This is under review and we are looking at ways of how we ensure that we meet our requirements under the scheme.

The following table sets out which of the monitoring requirements we are able to meet.

Monitoring requirement	Currently met?	Comments
Staff in post.	Yes	
Applicants for employment.	No	Recruitment will not be included on the HRMS until the final implementation phase in 2005. We have set up a means of capturing this data in the interim period. In this report we are only able to publish figures on the ethnicity of people who have been recruited.
Applicants for and recipients of Training.	No	C&E have a Learning Management System (LMS), which allows all staff access to a library of training products that they can apply for through their own PC. The system records any application for training and completion of e-learning products. Currently this system is not linked to the new HRMS which holds the ethnicity data. For the introduction of HMRC we aim to create a combined system, which will enable us to carry out more accurate monitoring and review of our policies and ensure that data is

		available to meet our wider monitoring and publishing obligations.
Applicants for promotion.	No	Internal appointments will not be included on the HRMS until the final implementation phase in 2005. We have set up a means of capturing this data in the interim period. In this report we are only able to publish figures on the ethnicity of people who have been promoted.
Those who receive training.	No	Learning Management System (LMS) & HRMS do not 'speak to each other' A resource intensive, lengthy manual reconciliation is the only method of obtaining these figures.
Those who benefit or suffer detriment as a result of performance procedures.	Yes	
Those involved in grievance procedures.	No	Our grievance procedures consist of two levels – Level 1 (local resolution) and Level 2 (central panel). We are unable to monitor both levels until the initial implementation phase of HRMS. In this report we are only able to publish figures for Level 2 grievances.
Those subject to discipline procedures.	Yes	A monitoring system was set up and the data have been captured since 1.10.02.
Those who cease employment.	Yes	

The employment monitoring tables are in Annex B of this report. In attempting to analyse these figures we found that, in each case, the data representation was too low to draw any reliable conclusions. We are undertaking further action to increase the response rate to our ethnicity survey

**Annex B**

**Customs & Excise 2003-4**

	Staff in Post		Staff Recruited		Bands		Bands		Bands		Fast Stream		Sn. Mng	
	Total	% of total	Total	% of total	2 to 4	% of total	5 to 8	% of total	9 to 10	% of total		% of total		% of total
Not known	8956		1575		1307		234		9		6		19	
White	13648	90.88	457	85.9	325	86.44	118	84.89	0	0	10	100	4	100
Wh/Blk Caribbean	22	0.15	0	0	0	0	0	0	0	0	0	0	0	0
Wh/Blk African	8	0.05	0	0	9	2.39	0	0	0	0	0	0	0	0
white and Asian	47	0.31	<5	<0.94	<5	<1.33	0	0	0	0	0	0	0	0
Other mixed	57	0.38	<5	<0.94	<5	<1.33	<5	<3.6	0	0	0	0	0	0
Indian	512	3.41	29	5.45	21	5.58	8	5.75	0	0	0	0	0	0
Pakistani	88	0.58	7	1.32	<5	<1.33	<5	<3.6	0	0	0	0	0	0
Bangladeshi	36	0.24	7	1.32	6	1.6	<5	<3.6	0	0	0	0	0	0
Other Asian	101	0.67	<5	<0.94	<5	<1.33	<5	<3.6	0	0	0	0	0	0
Caribbean	128	0.85	<5	<0.94	<5	<1.33	0	0	1	33.33	0	0	0	0
African	185	1.23	13	2.44	8	2.13	<5	<3.6	2	66.66	0	0	0	0
other Black	11	0.07	<5	<0.94	<5	<1.33	0	0	0	0	0	0	0	0
Chinese	38	0.25	<5	<0.94	<5	<1.33	0	0	0	0	0	0	0	0
Other Ethnic group	137	0.91	<5	<0.94	<5	<1.33	<5	<3.6	0	0	0	0	0	0
Irish traveller														
Total Known Ethnic Minority	1370	9.12	75	14.1	51	13.56	21	15.11	3		0	0	0	0
Total	23974		2107		1683		373		12		16		23	

Notes:

Staff in post figures is as at 31/5/04

All figures given for year 1/6/03 to 31/5/04

% of total is the % total known figure

Figures are not available for applicants for promotion. We have included figure for those that have been promoted

No figures available for applicants for employment, applicants for training or recipients of training

Annex B

Customs & Excise 2003-4

Appraisal Performance Marks

	Appraisal Performance Marks		Leavers		Staff Promoted		Grievances		Disciplinary Procedures									
	Total	% of total	Total	% of total	Total	% of total	Total	% of total	Total	% of total								
Not known	7677		783		6672		110		112		743		580		52		131	
White	13822	90.82	1766	93.29	11265	90.68	126	88.11	665	87.5	762	91.7	1376	89.52	65	83.33	89	83.96
Wh/Blk Caribbean	24	0.16	<5	<0.26	19	0.15	0	0	<5	<0.66	<5	<0.6	<5	<0.33	0	0	0	0
Wh/Blk African	8	0.05	0	0	8	0.06	0	0	0	0	0	0	0	0	0	0	0	0
white and Asian	49	0.32	7	0.37	38	0.31	0	0	<5	<0.66	<5	<0.6	5	0.33	<5	<6.41	0	0
Other mixed	57	0.37	7	0.37	42	0.34	<5	<3.5	7	0.92	0	0	<5	<0.33	0	0	0	0
Indian	511	3.35	47	2.48	430	3.46	<5	<3.5	30	3.95	19	2.29	58	3.77	<5	<6.41	6	5.66
Pakistani	96	0.63	8	0.42	79	0.63	<5	<3.5	8	1.05	5	0.6	10	0.65	<5	<6.41	<5	<4.72
Bangladeshi	36	0.24	<5	<0.26	30	0.02	0	0	<5	<0.66	<5	<0.6	6	0.39	0	0	0	0
Other Asian	107	0.7	8	0.42	88	0.71	<5	<3.5	10	1.32	7	0.84	10	0.65	0	0	<5	<4.72
Caribbean	132	0.86	11	0.58	113	0.91	<5	<3.5	6	0.79	9	1.08	12	0.78	<5	<6.41	<5	<4.72
African	192	1.26	13	0.69	158	1.27	5	3.5	16	2.11	9	1.08	23	1.5	<5	<6.41	<5	<4.72
other Black	10	0.07	0	0	9	0.07	0	0	<5	<0.66	<5	<0.6	<5	<0.33	0	0	0	0
Chinese	40	0.26	5	0.26	33	0.27	<5	<3.5	<5	<0.66	<5	<0.6	5	0.33	0	0	0	0
Other Ethnic group	135	0.88	14	0.74	111	0.89	<5	<3.5	8	1.05	11	1.32	24	1.56	<5	<6.41	<5	<4.72
Irish traveller																		
Total Known Ethnic Minority	1397	9.18	127	6.71	1158	9.32	17	11.89	95	12.5	69	8.3	161	8.23	13	16.66	17	16.04
Total	22896		2679		19095		253		872		1574		2117		130		237	

Notes:

Staff in post figures is as at 31/5/04

All figures given for year 1/6/03 to 31/5/04

% of total is the % total known figure

Figures are not available for applicants for promotion. We have included figure for those that have been promoted

No figures available for applicants for employment, applicants for training or recipients of training

Customs & Excise 2004-05	Staff in Post		Staff Recruited		Bands 2 to 4		Bands 5 to 8		Bands 9 to 10		Fast Stream		Sn. Mng	
	Total	% of total	Total	% of total	Total	% of total	Total	% of total	Total	% of total	Total	% of total	Total	% of total
Not known	8357		1515		1211		265		9		6		24	
White	14405	90.44	439	86.76	264	87.42	157	84.41	1	100	5	100	12	100
Wh/Blk Caribbean	31	0.19	<5	<0.99	<5	<1.66	0	0	0	0	0	0	0	0
Wh/Blk African	9	0.06	0	0	0	0	0	0	0	0	0	0	0	0
white and Asian	50	0.31	<5	<0.99	<5	<1.66	0	0	0	0	0	0	0	0
Other mixed	62	0.39	0	0	0	0	0	0	0	0	0	0	0	0
Indian	568	3.57	27	5.34	13	4.3	14	7.53	0	0	0	0	0	0
Pakistani	99	0.62	6	1.19	<5	<1.66	<5	<2.69	0	0	0	0	0	0
Bangladeshi	44	0.28	5	0.99	<5	<1.66	<5	<2.69	0	0	0	0	0	0
Other Asian	114	0.72	<5	<0.99	<5	<1.66	<5	<2.69	0	0	0	0	0	0
Caribbean	136	0.85	5		<5	<1.66	<5	<2.69	0	0	0	0	0	0
African	209	1.31	7		<5	<1.66	<5	<2.69	0	0	0	0	0	0
other Black	17	0.11	<5	<0.99	<5	<1.66	0		0	0	0	0	0	0
Chinese	41	0.26	<5	<0.99	<5	<1.66	0	0	0	0	0	0	0	0
Other Ethnic group	142	0.89	6	1.19	<5	<1.66	<5	<2.69	0	0	0	0	0	0
Irish traveller														
Total Known Ethnic Minority	1522	9.56	67	13.24	38	12.58	29	15.59	0	0	0	0	0	0
Total	24284		2021		1513		451		10		11		36	

Notes:

Staff Leaving and Staff Recruited figures given for year ending 31/03/2005

All other figures given for year 1/6/04 to 31/5/05

% of total is the % total known figure

No figures available for applicants for employment, applicants for training or recipients of training

Currently unable to provide figures for staff promoted or applying for promotion as revised

HR management system is not linked with pay systems, this will be resolved for HMRC monitoring

Customs & Excise 2004-05	Appraisal Performance Marks								Leavers		Grievances		Disciplinary Procedures	
	Total		Top		Good		Less effective		Total	% of total	Total	% of total	Total	% of total
		% of total		% of total		% of total		% of total						
Not known	7345		619		6653		73		1088		54		173	
White	13033	90.64	1521	92.97	11400	90.33	112	91.06	610	88.79	64	69.56	139	84.24
Wh/Blk Caribbean	28	0.19	<5	<0.31	24	0.19	0	0	<5	<0.73	0	0	0	0
Wh/Blk African	9	0.06	<5	<0.31	5	0.04	<5	<4.07	0	0	0	0	0	0
white and Asian	44	0.31	<5	<0.31	40	0.32	<5	<4.07	<5	<0.73	<5	<5.43	0	0
Other mixed	55	0.38	9	0.55	46	0.36	0	0	12	1.75	0	0	8	4.85
Indian	519	3.61	48	2.93	468	3.71	<5	<4.07	27	3.93	5	5.43	10	6.06
Pakistani	82	0.57	5	0.31	77	0.61	0	0	<5	<0.73	<5	<5.43	<5	<3.03
Bangladeshi	39	0.27	<5	<0.31	38	0.3	0	0	0	0	0	0	0	0
Other Asian	97	0.67	7	0.43	89	0.71	<5	<4.07	<5	<0.73	0	0	0	0
Caribbean	122	0.85	13	0.79	109	0.86	0	0	7	1.02	<5	<5.43	<5	<3.03
African	182	1.27	8	0.49	170	1.35	<5	<4.07	9	1.31	<5	<5.43	<5	<3.03
other Black	14	0.09	0		14	0.11	0	0	<5	<0.73	0	0	0	0
Chinese	35	0.24	<5	<0.31	31	0.25	<5	<4.07	5	0.73			<5	<3.03
Other Ethnic group	120	0.83	11	0.67	109	0.86	0	0	0	0	14	15.21	<5	<3.03
Irish traveller														
Total Known Ethnic Minority	1346	9.36	115	7.03	1220	9.67	11	8.94	77	11.21	28	30.43	26	15.76
Total	21724		2255		19273		196		1775		146		338	

Notes:

Staff Leaving and Staff Recruited figures given for year ending 31/03/2005

All other figures given for year 1/6/04 to 31/5/05

% of total is the % total known figure

No figures available for applicants for employment, applicants for training or recipients of training

Currently unable to provide figures for staff promoted or applying for promotion as revised

HR management system is not linked with pay systems, this will be resolved for HMRC monitoring



New Policies 1<sup>st</sup> June 2003 – 31<sup>st</sup> May 2004

<b>VAT</b>	
Changes to thresholds	Increase turnover limits for registration and deregistration
	Changes to the Annual Accounting Scheme for small businesses
	Changes to the Cash Accounting Scheme for small businesses
All other changes	New disclosure rules
	Eligibility rules for VAT groups
	Reduced rate for energy saving materials
	Changes to the place of supply of natural gas and electricity
	Changes to valuation provisions
	Changes to fuel scale charges
	Commercial Buildings: Anti avoidance
<b>Excise Taxes and Duties</b>	
Landfill Tax	Increase in the maximum credit claimable under the Landfill Tax Credit Scheme
	Increase to the standard rate
Climate Change Levy	Climate Change Agreements
	Leviable energy products used to create excisable energy products
Hydrocarbon Oils	Introduction of a reduced rate of duty for sulphur-free fuels
	Duty Rates
	Introduction of a reduced rate of duty on bioethanol
	Change to provisions for mixing different dutiable products
	Bio fuel – implementation of provisions of Energy Products Directive
Alcohol Duty	Alcohol Strategy: Duty stamps for spirits
	Duty Rates
	Small Breweries Relief
<b>Other Excise Duties and Taxes</b>	
Gaming Duty	Changes to duty bands
Amusement Machine License Duty	Changes to duty rates
Bookmakers	Increased thresholds when bookmakers qualify for three monthly accounting periods
Lorry Road Users	Lorry Road User charge
Customs Duty	Mutual assistance between Andorra and UK in recovery of Customs debts
Tobacco Products	Changes in duty rates
Pool Betting	Taxation of Pool Betting

## Screening Outcome - Succession Planning

<b>Function: Succession Planning</b>		
<b>Description</b>	<b>Methodology</b>	<b>Outcome</b>
<p>This assessment is for Band 11 and above. The purpose of succession planning is two fold:</p> <p>(1) It enables the Department to identify those senior posts which are key, and which are important to the business and the continued achievement of organisational success; and</p> <p>(2) It enables the Department to record the development needs of its senior managers and to monitor their potential to progress to more senior posts.</p>	<p>Involves identification of individuals.</p> <p>There are three sources from which names are entered into succession planning:</p> <ol style="list-style-type: none"> <li>1. Existing Band 11s, 12s and SCS</li> <li>2. Those below Band 11 who have attended a Development Centre</li> <li>3. Fast Track and Fast Stream graduate recruits</li> </ol> <p>It is also dependent on the effective application by all line managers of identifying and developing those staff with potential. 'Talent spotting' is the key to increasing the diversity of people at senior grades.</p>	<p>From various reviews and audits over the past few years, problems have been identified with the representation of people from ethnic minorities at senior management level and at Band 9, the main feeder group to Band 11.</p> <p>A series of recommendations have been put forward designed to address the issues.</p> <p>These recommendations are considered to be the main areas where action is required. They should be driven by the Diversity &amp; HR Communications Team to ensure consistency across the business. This in itself is important if we are to ensure quality of opportunity for all those with potential to the senior management grades. If the other recommendations from previous reviews and audits were to be implemented this would also help ensure our policies are diversity proof, and comply with the RRAA. This has led to The Cabinet Office inviting applications from senior managers from ethnic minorities for the Pathways 4 leadership development programme.</p>

## Screening Outcome - Information law

<b>Function: Information law</b>		
<b>Description</b>	<b>Methodology</b>	<b>Findings</b>
<p>Information Law has policy responsibility for data protection, Freedom Of Information and exchange of information, data sharing, disclosure of information human rights and open government. In practice, the function explains and advises on the relevant law to the businesses and takes steps to obtain new information exchange powers where requested.</p>	<p>Departmental experts have gathered together the relevant sections on ethnicity in each Act for which they have responsibility. We have tested the systems, which provide security for information and the purposes for which information is stored.</p>	<p>Overall we found no element, which has the effect of impacting adversely on issues of race equality. If anything, the laws and policies concerned have a positive and beneficial effect because they function so as to:</p> <ul style="list-style-type: none"> <li>• Protect the privacy of the individual</li> <li>• Encourage openness and transparency</li> <li>• Contain all aspects of information handling within a statutory framework prescribed by Parliament</li> <li>• In the case of Article 14 ECHR specifically prohibit discrimination</li> </ul> <p>However, there is an issue over the extent to which the laws are adequately explained to staff (though not specifically regarding issues of ethnicity) and an action plan has been conceived to revise current guidance, underpinned by refresher training.</p>

## Screening Outcome - Translation Service

<b>Function: Translation Service</b>		
<b>Description</b>	<b>Methodology</b>	<b>Outcome</b>
<p>The Translation Service supplies an in-house service to the department, primarily to Law Enforcement and the Solicitors Office. Most of the documents they translate are for court purposes.</p>	<p>The screening assessment examined the purpose of the function, how the work is carried out, standards and training, complaints and challenges in court.</p>	<p>The department currently supplies translations in seventy different languages. Those that are most frequently requested (French, Spanish, German, Dutch, Italian, Portuguese and Russian) are dealt with in-house. Others are dealt with by freelance translators, who must be native speakers of the language they translate into. Translations done for court purposes are accompanied by a witness statement, which can be challenged. Translators are rarely called and we have no evidence of a successful challenge.</p>

## Screening Outcome - Money Laundering

<b>Function: Money Laundering</b>		
<b>Description</b>	<b>Methodology</b>	<b>Outcome</b>
<p>The department has had responsibility for pursuing avenues of money laundering for some time. The Proceeds of Crime Act has raised the priority level of this function and more resources have been devoted to it.</p>	<p>The assessment has examined a sample of cases conducted since the introduction of the new Act. We have looked at how cases have emerged and examined intelligence and the deployment of our resources. We have also examined training and guidance.</p>	<p>We have not established any particular concerns other than the lack of monitoring information available. We have taken steps to improve data quality by introducing a monitoring period and an appropriate monitoring checklist. The monitoring period stretches into the next RES scheme and we will report outcomes when the assessment is complete.</p>

## Screening Outcome - Strategic, tactical and operational analysis of intelligence

<b>Function: Strategic, tactical and operational analysis of intelligence</b>		
<b>Description</b>	<b>Methodology</b>	<b>Outcome</b>
<p>Intelligence Analysis is the integration and interpretation of information from diverse sources to draw inferences for action. They produce analytical products in three ways:</p> <p><b>Strategic</b>-new and changing threats which affect the strategic positioning of the department.</p> <p><b>Tactical</b>-new or changing patterns of compliance.</p> <p><b>Operational</b>-intelligence about the activities, capabilities and intentions of specific individuals and businesses.</p>	<p>The approach to this partial impact assessment was to disaggregate the function and to examine how intelligence is commissioned, gathered, used and protected.</p> <p>We have sampled specific intelligence products that have already been through this process and assessed whether all of the stages of development are logical and neutral, specifically race neutral.</p> <p>The dissemination and security of products have also been assessed.</p>	<p>The analyst and Data Resource Manager community are recognised as specialist groups, with associated conditions of entry and trial period before acceptance into Intelligence Analysis. A long programme of training ensures the community understands and follows the appropriate lifecycle relevant to the work performed. The lifecycles have been devised with the aid of professional input and along with the training ensures that all conclusions drawn from the work of the analysts must be based on validated and auditable procedures that follow a logical path, with intelligence and data available to back up conclusions in a transparent fashion. These have to pass peer and line management review and be subject to DRM policing of data usage. Built in checks and validation processes accompany each stage of the analyst lifecycle across all levels of intelligence analysis. There is therefore minimal opportunity for intelligence output that is not based on solidly reasoned and supportable argument. We are satisfied that this function presents negligible opportunity for adverse impact on the grounds of race equality.</p>