



# **Equality Impact Assessment Update: Regional Review Programme - UK Summary**

This report, from HM Revenue & Customs' People Function (Workforce Change) team, provides an update on equality impacts identified at May 2009 as arising from estate changes within the Regional Review Programme and the action being taken by the Department to mitigate these impacts, and any which emerge in the future. Further updates will be provided.

11 November 2009

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## Introduction

- 1.1 HM Revenue and Customs (HMRC) was created in April 2005 by the merger of the former Inland Revenue and HM Customs & Excise. HMRC was required to make significant efficiency savings equivalent to a reduction of 25,000 staff between 2004 and 2011 and estimated that this would result in the department having up to 40% of its existing accommodation surplus to requirements. The Workforce Change Regional Review programme was responsible for putting forward proposals for rationalising HMRC's estate so that only those offices which best suited long-term business plans were retained. The last of the review decisions was announced in December 2008. Overall the outcome of the Regional Review Programme is that 258 office buildings across the UK are to be vacated over the period to 2012 and 235 office buildings are to be retained.
- 1.2 As an important part of the review process HMRC carried out work to assess the potential impact of its proposals on staff, customers and the wider local community. Equality Impact Assessments (EQIAs) were undertaken and published for each of the 258 office buildings to be vacated. These outlined the potential impacts identified, and the relevant mitigating action recommended, under each of the eight equality strands (nine in Northern Ireland).
- 1.3 This summary and the regional EQIAs attached as annexes provide an update to those initial EQIAs informed by the actual impacts emerging as at May 2009 as a result of the implementation of the review decisions. These cover the individual impacts on staff who were accommodated in the 258 office buildings to be vacated when the decisions on those buildings were announced.
- 1.4 Data from HMRC's management information systems at May 2009 has been used together with information from discussions between managers and staff detailing the circumstances that might prevent individuals from relocating, for example care responsibilities or health issues. From this data HMRC has been able to assess the impact on equality groups (see para. 4.1).
- 1.5 Information available at May 2009 indicates that the individual equality impacts now identified are in line with, but affect fewer staff, than was suggested by the staff consultation and the public consultation in Northern Ireland. More staff than the consultation feedback indicated are able to relocate with their business unit to another office with a long-term future.
- 1.6 No new impacts have been identified, but as expected the impact is generally higher on staff in offices in small towns, as a substantial number of those offices are surplus to business requirements. HMRC employs more women than men<sup>1</sup>, particularly in many of the smaller and more rural offices. However, the numbers affected, when taken in the overall context of the total number of staff involved, are still low.
- 1.7 The HR processes set up to support implementation of the Regional Review decisions were designed to ensure that decisions were taken, and mitigating actions applied, fairly and consistently. The very low number of grievances, appeals, and references to Employment Tribunals in relation to the overall numbers of staff affected indicates that this was generally the case.
- 1.8 This summary provides an initial update of the impacts on equality groups that were been identified at May 2009. However, as mitigating actions<sup>2</sup> are being, and will continue to be, taken to reduce adverse impacts, the summary will not reflect the latest position. HMRC also recognises that personal circumstances can change and will continue to monitor equality impacts as the Regional Review decisions are implemented.

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<sup>1</sup> Female - 58%, Male – 42%

<sup>2</sup> See para 7

## **Background**

- 1.9 In November 2006 Workforce Change (WFC) published the first HMRC-wide and public EQIA consultation on its reorganisation proposals and processes. This invited the public to comment on the known and potential equality impacts arising as a result of HMRC's planned approach to restructuring its outdated office network. The responses were used to inform the way EQIA work was taken forward and conducted.
- 1.10 The Regional Review Programme was also launched in November 2006. This programme reviewed HMRC's business units' staffing forecasts and strategic plans alongside accommodation needs within each of the nine English Regions and the three devolved administrations. At the beginning of the review HMRC had around 590 staffed offices. Around 100 of these were specialist sites, such as ports and docks, which had to be retained and were therefore excluded from the review. By December 2008 HMRC had reviewed and published decisions on the remaining 493 office buildings. Of these it was decided to vacate 258 and to retain 235.
- 1.11 At each stage of the review HMRC consulted on its proposals with staff, unions, MPs and other elected representatives. In Northern Ireland, in view of the additional requirements under Section 75 of the Northern Ireland Act 1998, HMRC also undertook a public consultation. The potential equality issues raised during consultation were one of the factors that informed the final decisions.
- 1.12 EQIAs were undertaken and published for each of the office buildings announced for closure. In general these were smaller buildings in less central locations where HMRC had no business need to remain.

## **Implementing the Review Decisions**

- 1.13 HMRC recognised that the impacts on staff of relocation decisions would vary depending on individual personal circumstances. In discussion with trade unions, procedures and processes were developed for ensuring fairness and consistency in determining whether it was reasonable for individual members of staff to relocate when personal circumstances were taken into account.
- 1.14 This involved staff in offices scheduled for closure being offered a face to face meeting with their manager to discuss the impact of proposed relocations and to consider whether any travel or personal issues might make relocation unreasonable. An agreed record of the meeting was signed after which managers made a recommendation to a local Moderating Group, made up of local managers and supported by a mobility specialist. Informed by local knowledge and taking personal circumstances into account the group determined whether staff were able to relocate with their business unit. Fast track grievance and appeal processes were devised to assist staff who disagreed with the Moderating Group decisions.
- 1.15 Local Implementation Teams were set up to deliver the decisions of the Regional Review Programme and, with managers, these teams will continue to explore alternative options for staff unable to relocate with their business unit.

## **National Summary of Emerging Equality Impacts**

- 1.16 In order to meet HMRC's obligations under the Race Equality Scheme, Disability Equality Scheme, Gender Equality Scheme and the Northern Ireland Equality Scheme each of the regional EQIAs focuses on impacts relating to:

- Racial group
- Those with a disability
- Gender.

Under the requirements of Section 75 of the Northern Ireland Act 1998 the EQIA for Northern Ireland also focuses on impacts relating to:

- Religious belief.

After discussion with the Equality Commission for Northern Ireland, we also decided to report in the UK summary, where information is available, on impacts relating to:

- People with or without dependants
- Sexual orientation
- Age.

We have not reported in the UK summary on

- Political opinion (as we hold no record at all of staff's political opinions)
- Marital status (as we hold records for superannuation purposes only).

### **Sources of Information**

- 1.17 This summary and the regional EQIAs attached as annexes focus on the impacts on staff who were accommodated in the 258 buildings to be vacated when the decisions on those buildings were announced. As well as using the data from HMRC's Management Information Systems, we have extracted a considerable amount of information from the data collected by Moderating Groups following face to face discussions between managers and staff<sup>3</sup>. This data captured whether a member of staff could reasonably be expected to relocate and, if not, the main reason why someone could not relocate.
- 1.18 The process was intended primarily to establish whether individuals in offices due for vacation could reasonably be expected to move to their business unit's preferred location, but some Moderating Groups also considered alternative locations. The process was also applied to some staff in offices being retained within urban centres or clusters who were expected to relocate with their business unit. From this information we have been able to identify where moves may have been prevented as a result of equality related issues.
- 1.19 During the course of this review we have also become aware of a number of gaps in the moderating data, for example where gender information, mainly for staff who subsequently left HMRC, has not been recorded, or where information is unavailable for a particular office. As with most data collection exercises of this scale some records are unavailable or are incomplete, and where this is the case it has been made clear what information is available.
- 1.20 There are a number of reasons why data is not available about whether staff could relocate. By the time the moderating process got under way there had been changes in many offices. Some people had already changed business streams, or relocated voluntarily, or left the department under one of the early release schemes. In other instances, moderating discussions have taken place but final information is not available at this time.
- 1.21 We are now working on ensuring that data at local office level can be captured more effectively and efficiently. In particular we aim to use the local Implementation Teams, which have been set up to implement the Regional

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<sup>3</sup> Data used in summary and annexes is at May 2009

Review decisions, to help identify whether there are any new equality impacts and if so what mitigating action should be taken. It is expected that equality impacts may change over time and we will continue to monitor these while the Regional Review decisions are being implemented.

## **National Analysis of Emerging Equality Impacts**

1.22 HMRC's staffing headcount reduced from 99,200 in October 2006 to 88,350 in May 2009. Departmental statistics for May 2009 (Appendix 1 and at Table 1 in the regional annexes) suggest that staffing reductions have had a minimal impact on the three major equality groups<sup>4</sup>.

1.23 Information available at May 2009 indicates that:

- The individual equality impacts identified during the one-to-one discussions and Moderating Group process are in line with, but affect fewer staff than, the potential impacts suggested by the staff consultation and the public consultation in Northern Ireland.
- The HR processes – one-to-one meetings with managers, Moderating Group decisions, grievance and appeals processes – set up to support implementation of the Regional Review decisions have generally ensured that decisions are taken fairly and consistently. This is evidenced by the very low numbers of grievances and appeals in relation to the overall numbers of staff involved (see para.6.12).
- The impact on women, who make up more than 50% of HMRC's staff, and who may take on more care responsibilities for dependants, is slightly higher than it is on men, but small in relation to the overall numbers involved. Mitigating actions<sup>5</sup> are being, and will continue to be, taken to reduce adverse impacts.
- HMRC recognises that personal circumstances can change and will continue to monitor the impact that the implementation of the Regional Review decisions may have whilst looking for alternative options for those staff unable to relocate with their business unit.

1.24 At the time of the announcements 16,982 members of staff were expected to relocate from buildings due to be vacated. Although 16,982 staff were expected to relocate, for reasons outlined in para 5.4 Moderating Group data is, at the time of publication, only available for 15,472 members of staff. According to the moderating group information available 3,339 staff are unable to relocate. The impact at a UK-wide level on the various equality strands is summarised below.

### **1.25 Racial Group**

- As at May 2009 HMRC had the same percentage of staff from ethnic minority groups as in 2006 (5%).
- From the data gathered there is no indication that any members of staff were unable to relocate because of issues related to ethnicity.

### **1.26 Those with a disability**

- In 2006, 5% of staff had made a declaration that they were disabled. In 2009 8% of staff had made a declaration that they were disabled.
- Of the 3,339 unable to relocate, 90 (3%) were unable to do so because of health and compassionate grounds. These include disability.

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<sup>4</sup> Racial group, disability and gender

<sup>5</sup> See para 7

### 1.27 Gender

- The percentages of female and male staff remain the same in 2009 as in 2006: 58% female, 42% male
- Moderating Group data is available for 15,472 (91%) of the 16,982 members of staff expected to relocate.
- Of the 16,982, 9,479 (56%) are female and 5,694 (34%) are male. Gender information on 299 (2%) of staff is unavailable and data on whether staff can relocate is unavailable for 1510 (8%) staff.
- Of the 15,472 it was agreed that 3,339 staff (22%) are unable to relocate with their business unit.
- Of the 3,339 unable to relocate with their business unit 2,376 (71%) are female (14% of the 16,982 expected to relocate) and 894 (27%) are male (5% of the 16,982 expected to relocate). Gender information is not available for 69 (2%) of staff.

### 1.28 Those with dependants

- Of the 3,339 unable to relocate 57 (less than 1% of the total 16,982 expected to relocate) were unable to do so because of care commitments
- Of the 57 unable to relocate 47 were female.

### 1.29 Sexual Orientation

HMRC began collecting information on sexual orientation in October 2008, after the majority of decisions were announced. The latest figures<sup>6</sup> indicate that less than 22% of staff have declared their sexual orientation. There is therefore insufficient information available to enable meaningful conclusions to be drawn.

### 1.30 Age

Appendix 1 shows the age ratios in October 2006 and May 2009.

- The percentage of staff between the age ranges 15 – 49 has decreased
- The percentage of staff between the age ranges 50 – 60+ has increased
- There is no indication that any HMRC staff were unable to relocate specifically due to an age-related reason.

### 1.31 Religious beliefs (NI only)

HMRC does not collect data specifically on the religious beliefs of any HMRC staff. However information on community background is gathered for staff in Northern Ireland.

There is no indication at this stage that any HMRC staff were unable to relocate specifically due to religious beliefs.

### 1.32 Leavers' data

HMRC regularly reviews the reasons why staff choose to leave the department and encourages those leaving to complete a voluntary on-line 'exit questionnaire' which includes information on the reason for their decision. During 2008/09 a total of 8,067 staff left HMRC, of whom 4726 (59%) were female and 3341 (41%) male. 773 female and 523 male leavers completed the questionnaire. Only 1.1% of female leavers and 0.4% of male leavers identified the Regional Review Programme as a factor in their decision.

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<sup>6</sup> At 1 August 2009

### 1.33 Grievances and appeals

Grievances and appeals are confidentially monitored so that impacts on equality groups can be identified at an early stage and, if necessary, policies, procedures and mitigating actions reviewed. The grounds on which grievances and appeals were submitted following moderation must remain confidential. In general terms however:

- 16,982 staff were expected to relocate. The moderating groups agreed that 11,268 (66%) of these could relocate with their business unit.
- Data available centrally indicates that from the 11,268 a total of 319 (3%) grievances were lodged. Grievances were dealt with locally and it is believed that some may not have been recorded centrally.
- Of these 319, 130 of these (41%) were upheld, and 189 not upheld.
- Of the 189 grievances not upheld, 174 appeals were lodged and 91 of these (53%) were upheld. 12 are still outstanding.

### 1.34 Employment Tribunal information

Employment Tribunal proceedings are public record and HMRC is therefore able to report on them at a national level. HMRC knows of around 40 cases where an issue arising from the Regional Review Programme appears to have prompted an Employment Tribunal claim. Of those, nine have been settled in advance of a Tribunal hearing, and the remaining cases have either been withdrawn, listed for future hearing or are still unresolved. There are no cases where the Employment Tribunal decision is already known, and the grounds on which settlements were reached must remain confidential.

HMRC takes the view that the very low number of claims in relation to the number of staff in office buildings due to be vacated indicates that the department's approach throughout the Regional Review Programme has been generally fair and reasonable. HMRC will continue to monitor all cases brought to tribunal and will consider if any changes are necessary to the current processes and guidance.

## **Mitigating Action**

HMRC recognises that the closure of offices surplus to business requirements will have an adverse impact on some staff, and that the impact may be greater on staff in specific equality groups who have chosen for a variety of reasons to work in an office close to where they live.

HMRC has a number of policies and arrangements designed to mitigate these adverse impacts. Mitigating actions are being managed locally by the business units impacted by the decisions, in consultation with Implementation Teams and HR specialists. These include:

- Flexible working hours and alternative working patterns
- Provision of reasonable adjustments for disabled staff
- HMRC Childcare Voucher Scheme
- Daily Travel Assistance (assistance with additional travel costs arising from relocation)
- Home Moves Assistance

- Discussions between managers and staff to identify any personal issues arising and establish reasonable solutions, where appropriate, with assistance and support of HR specialists
- Specialist and confidential counselling and support for staff from specialist teams in HMRC
- Staff to be relocated only to offices within reasonable daily travel
- Use of 'Options Assessment', an intranet-based questionnaire which lists HMRC's redeployment, relocation or release schemes for staff who cannot relocate with their work. These include
  - Home working
  - Transfers to other Government Departments or other HMRC business areas within reasonable daily travel
  - Voluntary early release schemes: Approved Early Retirement (AER) Flexible Early Severance (FES) and Voluntary Public Sector Release Scheme (PSRS).

Managers will discuss with staff which options in the "Options Assessment" may be available in their location.

### **Monitoring Equality Information**

- 1.35 HMRC is committed to promoting equality and diversity and recognises that more accurate data could be obtained if a higher number of staff completed its voluntary online staff diversity data questionnaire. HMRC continues to consider different strategies to encourage a higher completion rate.
- 1.36 Previous strategies have included messages to staff via the intranet and through managers' briefings. In the autumn of 2007 HMRC commenced an extensive exercise, supported by both the ARC and PCS unions, to encourage all staff to input their diversity information.
- 1.37 Whilst it is not mandatory to declare their ethnic origin or disability, staff were requested to populate an 'Additional Diversity Data' field, which consisted of:
- Ethnic Origin
  - Nationality
  - Disability Status
  - Sexual Orientation<sup>7</sup>.
- 1.38 The latest figures<sup>8</sup> show that, nationally, over 69% of staff have entered details online regarding their ethnicity and 49% have provided information about their disability status. Further intranet announcements have addressed some of the IT issues which have affected the capture of data in relation to disability type.
- 1.39 Substantial progress has been made in improving the accuracy of the information held. HMRC is continuing in its campaign to increase staff declaration rates through targeted communications to staff in specific locations and the continual monitoring of declaration rates.

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<sup>7</sup> Data only gathered from October 2008

<sup>8</sup> At 1 August 2009

## **Future Action**

- 1.40 HMRC is exploring options to ensure that data at local office level can be captured more effectively. We aim to use the local Implementation Teams, to work with managers to help identify whether there are any new equality impacts and if so, what mitigating action can be taken. It is expected that equality impacts may change over time and HMRC will continue to monitor these while the Regional Review decisions are being implemented.
- 1.41 Future EQIA work will concentrate on analysing the actual impacts arising within buildings due for vacation. If disproportionate impacts are recognised all practicable mitigating action possible will be taken to minimise them.
- 1.42 Diversity & Equality specialists will continue to review HR data regularly to identify any adverse equality impacts. Monitoring will be undertaken at business unit level initially and will identify both location-specific and wider equality impacts.
- 1.43 Liaison will continue with the department's Corporate Responsibility and Diversity team on policy issues which arise. Close monitoring of actual impacts arising will continue to take place.
- 1.44 HMRC values the skills and experience of its staff and looks to relocate staff with their work wherever possible. HMRC is making every effort to find alternative solutions for staff unable to relocate with their particular business unit.

## APPENDIX 1: HMRC Diversity Data 2006 and 2009

### HMRC Diversity Data (October 2006) – (Staff in Post 99,230)<sup>9</sup>

Ethnicity	%	Disability	%	Age Group	%
White	52	Disabled	5	15 - 24	9
Ethnic minority	5	Not disabled	49	25 - 34	18
Chosen not to declare	n/k	Chosen not to declare	n/k	35 - 49	46
Not known	43	Not known	46	50 - 59	24
				60+	3
Gender	%	Working Pattern	%	Gender (part time staff)	%
Male	42	Full Time	75	Male	12
Female	58	Part Time	25	Female	88

### HMRC Diversity Data (May 2009) – (Staff in Post 88,353)<sup>10</sup>

Ethnicity	%	Disability	%	Age Group	%
White	61	Disabled	8	15 - 24	6
Ethnic minority	5	Not disabled	40	25 - 34	17
Chosen not to declare	4	Chosen not to declare	3	35 - 49	45
Not known	30	Not known	49	50 - 59	27
				60+	5
Gender	%	Working Pattern	%	Gender (part time staff)	%
Male	42	Full Time	73	Male	15
Female	58	Part Time	27	Female	85

<sup>9</sup> This information was gathered from the system in use at the time - E-HR

<sup>10</sup> This information was gathered from the current HR system - ERP