



Government
Equalities Office

Putting equality at the heart of government

**Annual Report and
Resource Accounts
2007–08**

July 2008

Government Equalities Office

Annual Report and Resource Accounts 2007-08

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This document is part of a series of Departmental Reports which, along with the Main Estimates 2008-09, the document Public Expenditure Statistical Analyses 2008 and the Supplementary Budgetary Information 2008-09, present the Government's expenditure plans for 2008-09, and comparative outturn data for prior years.

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Ministerial Foreword



It gives me great pleasure to welcome this, the Government Equalities Office's first Annual Report on its work and resources.

As you will see, the GEO has made good progress over the past year in its work on, amongst many other things, the Equality Bill; the Minister's for Women's Priorities; the European Year of Equal Opportunity for All; the Convention on the Elimination of all Discrimination Against Women, and, best of all, on its wider agenda of putting equality at the heart of Government.

I am proud to be a member of a Government which is, and always has been, a champion of equality in public policy. The work of the GEO is central to our aim of a fairer, more equal society.

I hope that you enjoy this report and, if you would like to find out more about the GEO's work, please go to www.equalities.gov.uk where you will find copies of the reports that it has laid before Parliament.

A handwritten signature in black ink that reads "Barbara Follett".

Barbara Follett MP
Parliamentary Under Secretary
Government Equalities Office

Introduction



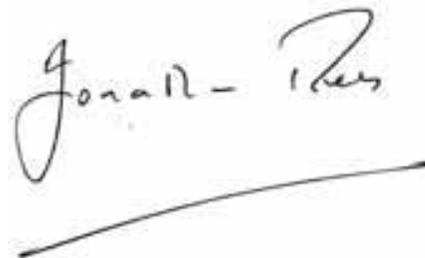
I am very pleased to introduce the first Annual Report and Accounts of the Government Equalities Office. As the report makes clear we have achieved much in the first year of our existence. Highlights include

- Setting out a strong set of proposals to strengthen and streamline the law in the forthcoming Equality Bill;
- Establishing and beginning delivery of the first cross-cutting Government target on equality;
- Making good progress on all of the Ministers for Women priorities, for instance launching a new Taskforce to increase representation of Black and Asian Minority Ethnic women councillors;
- Setting up on time the Equality and Human Rights Commission;
- Improving the equalities evidence base, working with the Office of National Statistics to review and improve equality data, and announcing the creation of a new National Equality Panel.

We have also made good progress in establishing ourselves as a separate Department: we have published our first business plan; and we have created new governance structures with a Board and three new external Directors; we have agreed to have a single set of terms and conditions for all our staff and as this report shows we are keen to meet our obligations to report consistently and transparently to Parliament.

We now have a challenging programme of work to deliver over the next year to help create a fairer and more equal society. We will do this in close partnership with our stakeholders, both within and outside Government. We will also continue to strengthen our evidence base, and seek as a Department to practise what we preach.

Finally I should like to pay tribute to all of the staff in GEO. Their professionalism, expertise and commitment has already helped us make a real and lasting difference to equality policy, and to people's lives.



Jonathan Rees
Director General and Accounting Officer
Government Equalities Office

Structure of this report

This is the first Annual Report on the work of the Government Equalities Office (GEO), which was established as a separate Ministerial Department during 2007. It has responsibility for the Government's overall strategy and priorities on equality issues.

The opening chapter sets out how the Department is structured.

Chapter 2 presents the strategic context within which the Department operates and outlines some of the challenges we face in 2008 and beyond.

Chapter 3 sets out some key achievements of the GEO in its first year as a separate Department.

Chapter 4 summarises performance on the Public Service Agreement (PSA) target on gender equality, as set out in the HM Treasury (HMT) spending plans for 2005-08. Further detail is provided in Annex B.

Chapter 5 sets out in more detail how the new Department managed its resources in 2007-08, and other information of public interest. The core expenditure tables are listed at Annex A and details of our public bodies are given at Annex D.

A glossary of acronyms and abbreviations is included at Annex E.

Volume 2 of this Report contains the GEO Resource Accounts.

Chapter 1: How we are organised

The Prime Minister announced on 26 July 2007¹ that the Government would be establishing the GEO, and it became a Department in its own right on 12 October 2007². The new, Department has responsibility for the Government's overall strategy and priorities on equality issues.

The GEO's objectives are:

- a simple, modern, effective and accessible framework of discrimination law which provides individual rights and promotes a fairer and more equal society;
- co-ordinated and effective equality policy across Government, in particular that all policies – especially in key areas such as education, health, employment and criminal justice – seek to narrow gaps;
- promoting in particular gender and sexual orientation equality policy across Government;
- strong UK representation on gender equality matters at European Union (EU) and international level;
- a world-class infrastructure to support the delivery of equality, including effective institutions, communications and evidence base;
- a performance framework for equality, identifying and delivering on key priorities, notably set out by the Ministers for Women last year and in our PSA; and
- a GEO which is lean, well managed, flexible, responsive and has the capability to deliver its remit.

Our Ministers



Rt Hon Harriet Harman QC MP

The Rt Hon Harriet Harman QC MP was appointed Leader of the House of Commons, Lord Privy Seal and Minister for Women and Equality on 28 June 2007,

and Cabinet Minister for Equality on 26 July 2007. Harriet is also the Labour Party Deputy Leader and Chair. She previously held the post of Minister for Women in 1997-98 when she was also Secretary of State for Social Security. Subsequent Government roles have been as Solicitor-General, Constitutional Affairs and Justice Minister.



Barbara Follett MP

Barbara Follett was appointed a Parliamentary Under-Secretary of State in June 2007, supporting the Minister for Women and Equality on the equalities agenda. She is also Minister

of the East of England and served as Parliamentary Private Secretary to successive Ministers for Women in 2005-07.

1 www.number-10.gov.uk/output/Page12689.asp

2 www.opsi.gov.uk/si/si2007/em/uksem_20072914_en.pdf

Our People

The GEO currently has 88 staff and is organised into Deputy Director led teams, with 8 staff working in private and press offices, providing support to Ministers. We plan to increase staffing to 115 full time equivalent posts.

Over the year, we have restructured the Department to reflect better our priorities and standalone status. The GEO was initially headed by its Director (reporting initially to the Department for Work and Pensions (DWP) Director General of Work, Welfare and Equality) and the Permanent Secretary, Communities and Local Government, was the GEO's Accounting Officer. In February 2008 Jonathan Rees was appointed as GEO's Director General and Accounting Officer.

Our Departmental Board

The Departmental Board, established from April 2008, leads the work of the GEO by setting the overall strategic direction and providing direction on major operational and management issues. Because of the Department's small size, the Board includes all 6 members of the Senior Civil Service working in the GEO. Three non-executive Directors have been appointed. An Audit and Risk Committee is to be a standing committee of the main Board. Its role is to assess the adequacy of the Department's risk management and audit arrangements. The Committee's remit includes the two non-departmental public bodies (NDPBs) sponsored by the GEO. It will be chaired by a non-executive director of the main Board and the Director General, Director Corporate Services, Internal Audit and representatives of the National

Audit Office (NAO) will also attend in an *ex officio* capacity. Decisions made by the Audit and Risk Committee will be reported back to the main Board for approval.

Unlike larger Departments, the GEO will not have an Investment Board because it does not have departmental programmes and major projects on the scale that would justify this.



Jonathan Rees
Director General

- Accounting Officer
- Overall responsibility for the management of GEO, including staff in Private Offices
- Chair of Departmental Board
- Chair of PSA delivery board



Janice Shersby
Director

- Deputy Head of GEO
- Policy Director
- GEO Better Regulation champion



Chris Bull
Director, Corporate Services

- Finance, Human Resources, Working Environment
- Sponsorship of EHRC
- Corporate secretariat



Ann Keeling
Deputy Director, Gender Equality Policy

- delivery of Ministers for Women Priorities
- Sponsorship of the WNC
- Delivery of UK international/EU gender equality commitments

Alison Rose
Deputy Director, Equalities PSA and Strategy

- Equalities PSA
- Cross-cutting equalities policy and strategy
- Research, analysis and better regulation
- Communications

Melanie Field
Deputy Director, Discrimination Law

- Legislative framework
- Equality Bill

3 Non Executive Directors
(appointed July 2008)



Judy McKnight,
former General Secretary, Napo (Trade union and professional association)



Peter Bungard,
Chief Executive, Gloucestershire County Council.



Janet Soo-Chung,
Chief Executive, North Yorkshire and York Primary Care Trust

Chapter 2: What we are aiming to achieve

The GEO is responsible for the Government's overall strategy and priorities on equality issues. Its work includes leading the development of a more integrated approach on equality across Government to increase opportunities for all and integrating work on disability, age, race and religion or belief into the overall equality framework.

Departmental Strategic Objective

The GEO's Departmental Strategic Objective, published in March 2008³, is as follows

To address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief by:

- ensuring progress against the Ministers for Women Priorities (supporting families, tackling violence against women and improving the way we deal with women who commit crimes, and empowering BME women);
- developing and supporting delivery of the Government's equality strategy, including simplifying and strengthening equality law, devising and using a framework for measuring progress towards a more equal society;
- reducing the Gender Pay Gap;
- narrowing gaps in the extent to which people perceive that they have choice and control in their lives;
- narrowing gaps in civic participation;
- narrowing gaps in employment-based discrimination; and

- narrowing gaps in perceptions of unfair treatment at work, college or school, and when using health services and public transport.

Successfully delivering against the equalities agenda spans right across Government and includes key areas such as education, health, employment, criminal justice and social services – which is why equality is also part of a number of other PSAs.

³ http://www.equalities.gov.uk/equality_psa/strategic_objective.htm

Ministers for Women Priorities

In July 2007 in a Parliamentary statement the Minister for Women and Equality announced her three priorities for women, and published them as a Command Paper⁴ for consultation.

1. Supporting families, particularly as they bring up children and care for older and disabled relatives
2. Tackling violence against women and improving the way we deal with women who commit crimes
3. Empowering black and minority ethnic women to build cohesion within their communities and as a bridge between communities.

The consultation document, "Priorities for the Ministers for Women" (Command Paper, CM 7813) set the wider context and sought views on whether these priorities form the right approach and how best they can be advanced. The process was led by the WNC through consulting with its members and partners.

A summary of progress on the MfW Priorities is given in Chapter 3. A more detailed one year on report is also being published in July 2008 and is available at www.equalities.gov.uk.

Legislative Framework

The GEO aims to ensure an effective legislative framework of discrimination law fit for the needs

4 <http://www.official-documents.gov.uk/document/cm71/7183/7183.asp>

of the 21st century, and embodying the Government's better regulation principles.

In particular, we lead on the Equality Bill which will increase transparency about inequalities, strengthen enforcement and extend scope for action to assist under-represented groups. The Equality Bill was listed in the Government's draft legislative programme for 2008-9⁵ announced by the Prime Minister on 14 May 2008. On 26 June 2008 the Minister for Women and Equality made a statement⁶ to the House of Commons setting out the main themes of the Equality Bill which will be introduced in Parliament in the next session. On the same day the GEO published *Framework for a Fairer Future – the Equality Bill*⁷, which outlines the steps which will be taken to streamline and strengthen the law. The Government's full response to consultation in 2007 on the Discrimination Law Review (*A Framework for Fairness*)⁸ is also being published in July 2008, and is available at www.equalities.gov.uk.

5 <http://www.commonleader.gov.uk/output/page2438.asp>

6 <http://www.equalities.gov.uk/publications/Oral%20statement%20260608.pdf>

7 <http://www.equalities.gov.uk/publications/FrameworkFairerFuture.pdf>

8 Published by Communities and Local Government, June 2007 : <http://www.communities.gov.uk/publications/communities/frameworkforfairnessconsultation>

Equalities PSA

The Comprehensive Spending Review settlement for the period 2008-2011 included, for the first time, a PSA (15)⁹ specifically covering equalities. PSA 15 seeks to address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief.

The priorities identified within this PSA are to:

- Reduce the gender pay gap from 12.6 per cent
- Tackle barriers that limit disabled people's choice and control
- Address under-representation in public life
- Reduce discrimination in employment and
- Understand and address unfair treatment by public services.

Responsibility for delivery is shared across Government. The Office for Disability Issues (ODI) will lead on the delivery plan for the choice and control indicator. The Department for Communities and Local Government will lead on the delivery plan for the public participation indicator. The GEO will lead on the delivery plans for the remaining indicators and will be responsible for the overall programme management of the PSA, including monitoring progress on the PSA indicators, managing risks, co-ordinating action across Government and reporting on delivery. The Equality and Human Rights Commission (EHRC) will also work in partnership with the GEO and other Departments to deliver the PSA. The delivery

plans for the PSA will be published in summer 2008.

Because responsibility for delivery of the PSA is shared across Government, a full estimate of the costs related to PSA has not yet been made. The GEO's resources for delivery of the PSA primarily relate to staff in the gender equality policy division, together with some staff who provide a programme office function and support the PSA delivery board. Taken with work towards the Ministers for Women priorities, it will also include some of the GEO's gender equality programme expenditure, e.g. for the BAME Women Councillors Taskforce¹⁰ and the Women Take Part project.

Table 1 – GEO resources 2008-9 committed to PSA Delivery Agreement 15

Programme office staff costs	£160,500
Staff costs (gender pay gap)	£340,100
Programme costs (gender pay gap)	£355,000
Staff costs (civic participation)	£135,250
Programme costs (civic participation)	£231,000
TOTAL	£1,221,850

9 PSA 15 can be found at http://www.hm-treasury.gov.uk/media/E/8/pbr_csr07_psa15.pdf

10 http://www.equalities.gov.uk/min_eth/BAME_Women.htm

Improving Equality Data

On 13 June 2008 Harriet Harman announced a new National Equality Panel¹¹, which will investigate and lay out the best evidence currently available on the relationship between economic inequalities and other social dimensions, such as gender, disability, age, sexual orientation, ethnicity and religion. The GEO will also be running a seminar series in the autumn.

The GEO is working with the EHRC on the development of a framework to measure the gaps in the experience of different equality groupings to inform better and targeted policy interventions. This Framework will gather data on the experience of different equality groupings in important areas of life such as health and education. This will enable better assessment of where equality groupings have a poorer experience of life than others, which will support the development of policy better targeted to narrow gaps in life experience.

Better Regulation

The GEO has a strong remit on delivery of better regulation, given its responsibility for discrimination legislation. A key priority in introducing the Equality Bill is to deliver much needed simplification and harmonisation. An initial Regulatory Impact Assessment was published with the Discrimination Law Review consultation in June 2007¹², and work on assessing the impact of legislative proposals as they develop is ongoing. Janice Shersby is GEO's better regulation champion at board level, Barbara Follett our better regulation Minister and we have our own Better Regulation Unit. More information on GEO's work on Impact Assessment, Simplification and Consultations is in Chapter 5.

11 <http://www.equalities.gov.uk/news/index.htm&foo=3>

12 <http://www.communities.gov.uk/publications/communities/frameworkforfairnessria>

Chapter 3: Key events and GEO achievements 2007-08

Creation of the GEO

Following the June 2007 machinery of Government changes, the former WEU began supporting the new Ministers for Women and Equality, and worked closely with them on their Priorities for Women which were announced to Parliament in mid July 2007. The Prime Minister's announcement on the creation of the GEO followed at the end of July, including Harriet Harman's lead role as Cabinet Minister for Equalities. The GEO was confirmed as a separate Department, reporting formally to Harriet Harman as Lord Privy Seal, by a transfer of functions order which came into force on 12 October 2007. Barbara Follett was also confirmed as Parliamentary Under Secretary at the GEO, supporting Harriet Harman on the equalities agenda.

Ministers for Women Priorities

A detailed report one year on from publication of the MfW Priorities is being published in July 2008. Specific achievements of the GEO in 2007-8 are reported here against each of the three priorities.

1. Supporting families, particularly as they bring up children and care for older and disabled relatives

The GEO in partnership with the women in business organisation *Opportunity Now* has taken forward recommendations from the Women and Work Commission's review aimed at tackling both gender pay and opportunities gaps. In March 2008, the GEO and *Opportunity Now* published the Exemplar Employer report¹³ which provides best

¹³ http://www.opportunitynow.org.uk/best_practice/exemplar_employers/exemplar_employers_report_2007/

practice actions focusing on Equal Pay, Flexible Working, Occupational Segregation, Training and Development, and Women Returners to Work.



The GEO has led one of four taskforces established to look at the impact caring has on the lives of carers and their families. A cross-government carers strategy was published in June 2008 by the Department of Health¹⁴.

The Government has also implemented during 2007-8 a number of measures which will support families and help close the gender pay gap, including further increases in the national minimum wage, extension of the right to request flexible working to parents of older children, and increases in statutory maternity benefits and periods.

2. Tackling violence against women (VAW) and improving the way we deal with women who commit crimes

The GEO works across Government, in particular with the Ministry of Justice and the Home Office on these issues, which include criminal justice policy on **domestic violence homicides, review of the**

¹⁴ http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_085345

law of murder and areas such as **trafficking, tackling demand and prostitution, sexual violence**, and communication on **violence against women**. A detailed report on cross-Government progress will be included in the one year on report, but some highlights include:

- In January 2008 the GEO published the **Women Not For Sale**¹⁵ report on use of personal classified advertising. The Newspaper Society issued revised guidance taking into account concerns about human trafficking so that newspaper editors do not inadvertently accept classifieds for publication which advertise trafficked women.
- In March 2008, an emergency £1 million fund for rape crisis centres was announced by Harriet Harman. The GEO is working in partnership with the Office of the Third Sector (Cabinet Office), Home Office and the GOs to distribute this Fund, which has provided funding of £175,000 to 8 rape crisis centres. The GEO continues to work on the longer term outlook for the sexual violence and abuse voluntary sector, which includes rape crisis centres.
- In April 2008, the GEO published a cross-government narrative detailing Government action on violence against women.
- Throughout the year, GEO has also been contributing to the Ministerial sub group on the Corston review **women offenders**. Implementing the gender equality duty provides the foundation for delivery of other Corston recommendations.

15 http://www.equalities.gov.uk/publications/Women_Not_For_Sale.pdf

3. Empowering black and minority ethnic women to build cohesion within their communities and as a bridge between communities.

The GEO has led a programme of work which culminated in the launch of the **Black Asian and Minority Ethnic (BAME) Women Councillors Taskforce**¹⁶ in May 2008, chaired by Baroness Pola Uddin (pictured below). The GEO set up a virtual network of current and former BAME women councillors as potential members, representing all main parties and regions, and established a group of strategic partners to support the taskforce.



There has also been work with MoJ and CLG on obtaining data on candidates put forward to assess whether BAME women are being put forward in winnable seats, and with CLG analysts on obtaining better data on BAME women councillors and improving the return on the LGA biannual census survey.

16 http://www.equalities.gov.uk/min_eth/BAME_Women.htm

The GEO has also worked with the Cabinet Office (OTS) on how to better support BAME women in social enterprise, including progressing a BAME women and social enterprise publication.



The Equality Bill

The Discrimination Law Review consultation (*A Framework for Fairness: proposals for a Single Equality Bill for Great Britain*) was successfully taken forward by the GEO during its first three months. We were delighted at the number of responses to last year's consultation – we received 4231 responses. GEO organised a number of stakeholder events in England, Wales and Scotland and took part in a number of other consultation events.

The GEO has led work across Government to consider the responses to the consultation, agree policy for the Bill and prepare drafting instructions. In May 2008 the Equality Bill was announced by the Prime Minister as part of the Government's legislative programme for 2008/9. On 26 June 2008 Harriet Harman made a statement to Parliament setting out details of the Equality Bill, published in *A Framework for a Fairer Future*, available at www.equalities.gov.uk.



The purpose of the Bill is to strengthen protection, advance equality and declutter the law. It will:

- introduce a new Equality Duty on the public sector;
- end age discrimination;
- require transparency;
- extend the scope of positive action;
- strengthen enforcement.

The June 2007 consultation also included proposals to implement the EU Gender Directive, which came into force on a UK-wide basis in April 2008, after a decision to delay our proposed GB-wide implementation in order to include Northern Ireland¹⁷. These measures amended the Sex Discrimination Act to ensure compatibility with the Directive, amending existing protection from discrimination in the field of goods and services, facilities and premises – notably on harassment, pregnancy and maternity, and gender reassignment. This measure required our priority ahead of the Equality Bill because of an earlier deadline for Member States to implement the Directive.

¹⁷ <http://www.equalities.gov.uk/legislation/index.htm>

The GEO also carried out technical amendments to existing discrimination law as required by separate decisions of both the courts and the European Commission on aspects of the UK's implementation of Equal Treatment Gender and Race Equality EU Directives.

Equality Act 2006 secondary legislation

April 2007 saw two new discrimination law measures come into force, arising from the Equality Act 2006.



The public sector gender equality duty¹⁸ requires public authorities to draw up and publish a gender equality scheme which should identify gender equality objectives and show the steps they will take to implement them. Public authorities must also consider whether one of their objectives should address the causes of any gender pay gap (which can include equal pay issues); and ensure that they assess the impact of new legislation, policies, employment and service delivery changes.

New regulations¹⁹ also made sexual orientation discrimination unlawful in the provision of goods

18 http://www.equalities.gov.uk/gender_equality_duty/index.htm

19 http://www.equalities.gov.uk/sexual_orientation/index.htm

and services, in the exercise of public functions, in education and in the rental or sale of premises. This was a major step forward in ensuring dignity, respect and fairness for all. These measures help tackle the practical barriers and real, everyday problems faced by lesbian, gay and bisexual people.

Public Service Agreements

The GEO worked to ensure that the new set of Public Service Agreements, which set the government's priorities for the three years to March 2011, fully reflect equality. So equality issues should be mainstreamed within other PSAs wherever possible. This approach was in line with the findings of *'Fairness and Freedom: The Final Report of the Equalities Review'*.²⁰ Trevor Phillips' Review wanted to see more accountability for delivering equality in the 2007 Comprehensive Spending Review, with a particular focus on education, employment, health and criminal justice which it identified as persistent inequalities which set off a 'cascade' of further disadvantage.

As a result, the PSAs dealing with education, employment, health, and crime commit to narrowing the gaps in outcomes which some equality groups experience. Tackling serious sexual offences and domestic violence is covered in the Safer Communities PSA²¹

The indicators in the Equality PSA aim to complement equalities work in the rest of the PSA set. They were identified following an analysis

20 Published February 2007 <http://archive.cabinetoffice.gov.uk/equalitiesreview/>

21 The full PSA set can be found at http://www.hm-treasury.gov.uk/pbr_csr/psa/pbr_csr07_psaindex.cfm

of the findings of the Equalities Review which were themselves based on extensive consultation. The commitment to tackle barriers that limit disabled people's choice and control arose directly from work that the Office for Disability Issues undertook with the involvement of disabled people. The Equality PSA also takes forward key themes and commitments from the previous 2004-08 PSA on women and equality (see performance report in Chapter 4), maintaining a focus on economic participation and advancement, social and civic inclusion, and experience of public service delivery

The Equality PSA was developed in collaboration with stakeholders from national and local government, the equality commissions, academics, the third sector, and the public sector inspectorates. It was published on 15 October 2007.

Since then the GEO has established a cross Government delivery Board, and agreed a comprehensive delivery plan, a summary of which will be published in summer 2008.

Equalities and Local Area Agreements

Local partnerships play an important part in the delivery of PSA 15. For England, new Local Area Agreements (LAAs) set out the priorities for a local area that are agreed with central government, the local authority and other key services at a local level. A single set of 198 national indicators that reflect national priorities for local areas was announced in October 2007 as part of the Comprehensive Spending Review. Each LAA will comprise a set of targets, which will include up to 35 targets drawn from the

national indicator set, complemented by statutory targets on educational attainment and early years. The new LAAs took effect from April 2008 and will run for three years.

The GEO is responsible for two indicators in the national set, both of which are directly relevant to delivery of PSA 15: NI3 "Civic participation in the local area", which relates to the PSA commitment to address under-representation in public life; and NI140 "Fair treatment by local services", which relates to the PSA commitment to understand and address unfair treatment by public services. In addition to these two indicators, there are many others which will have an impact on delivery of PSA 15 and the wider equalities programme.

Taking forward the recommendations of Trevor Phillips' Equalities Review



As part of developing a more integrated approach to equality, the GEO has been taking forward recommendations made in *Fairness and Freedom: The Final Report of the Equalities Review*. This was a comprehensive and independent review into

the causes of persistent discrimination and inequality in British society, carried out from 2005 to 2007 under the chairmanship of Trevor Phillips.

Much of the work here has been covered in the sections of this report dealing with legislation and Public Service Agreements. The Equalities Review also made a number of recommendations related to filling data gaps, so that more meaningful and comprehensive equality information is available.

The GEO has worked with the Office for National Statistics on a review of equality data. This was published in October 2007 by the ONS²². It included an assessment of the data which is available for education, health (including longevity), productive and valued activities (particularly employment rather than caring) and physical and legal security (particularly criminal justice) in terms of gender, trans-gender, ethnicity, disability, age, sexual orientation, religion/belief and socioeconomic status. The Report also included an Action Plan on statistics. GEO is working with several Government Departments to take forwards recommendations in the Action Plan; for example on harmonisation of the definition of disability with the ODI and on how to formulate questions on sexual identity with the ONS. Further work, with the EHRC, has started to assess what data is available on five other areas identified by the Equalities Review, including standard of living (including housing); individual, family and social life; participation, influence and voice; and identity, expression and self-respect.

The Review also made 32 detailed recommendations for government departments, focusing particularly on very specific gaps in outcomes that the Government should tackle in the key areas of education and early years, employment, health, and crime and the criminal justice system. In response, Departments have clearly set out the initiatives, policies and action underway to address the Review's recommendations. The response to these recommendations will be published in summer 2008.

²² 'Report from the review of equality data' can be found at http://www.statistics.gov.uk/downloads/theme_social/EDR_Final.doc.pdf

Equality and Human Rights Commission

The Equality Act 2006 established the legislative framework for a single equality commission. The GEO is the Government sponsor for the new commission, which opened for business as the EHRC on 1 October 2007 under the leadership of its chair Trevor Phillips and chief executive Nicola Brewer. The former EOC and CRE were both sponsored by the GEO in their final few months (DWP continued to sponsor the DRC). Working closely with all the legacy commissions and the transition team for the EHRC was a key role for the GEO in its early months. The GEO carried out the following key tasks to establish the EHRC:

- recruitment of 15 Commissioners;
- creation of Commencement, Dissolution and Transfer Orders to terminate legacy Commissions and transfer assets and liabilities to the Equality and Human Rights Commission;
- enablement of outstanding clauses of the Equality Act in relation to Equality and Human Rights Commission;
- establishment of the financial framework under which the Commission would operate and appointment of the EHRC's Accounting Officer;
- agreement to the pay and harmonisation policies to bring the staff onto a common pay scale;
- Support the Commission in acquiring new premises in London, Glasgow and Cardiff;

Women's National Commission



The GEO also sponsors the WNC, an NDPB established in 1969 as the official independent advisory body giving the views of women to the Government. Ministers involved the WNC in developing and consulting on the Ministers for Women

Priorities²³. Current work of the WNC includes projects on migration and asylum, violence against women, muslim women and international work. The GEO ran the recruitment exercise for the new permanent WNC Chair, Baroness Gould. Ministers accepted recommendations from Rita Donaghy's light touch review²⁴ of the WNC's role, including an ongoing role for this NDPB. In line with these recommendations, the WNC has prepared a business plan for agreement with GEO Ministers. In May 2008 the GEO began a recruitment exercise for seven or so new WNC commissioners. We expect Ministers to make these new appointments by autumn 2008.

European Year of Equal Opportunities for All

The GEO and its Ministers also played an active role in events to celebrate 2007 as European Year of Equal Opportunities for All (EYEOA). This is a European Commission (EC) led initiative with 30 European nations participating. In the UK the

23 http://www.thewnc.org.uk/pubs/mfw_priorities_consultation_report.pdf

24 http://www.thewnc.org.uk/pubs/WNC_LT_Review_Report.pdf

EYEOA was led by the GEO and EHRC, leading a major debate on the benefits of diversity for European societies. A series of seminars took place around the country to bring together a range of practitioners, local community and voluntary groups, local councillors, business and employers, academics and researchers, and others. The conclusions from these events was delivered in a written report to the EC and used to help EHRC build a solid foundation for policies and services that can create fairness and freedom for all. Transfers from CLG in the winter supplementary estimate include matched funding for EU funding of EYEOA, and the spring estimate additionally includes provision for expenditure funded by receipts from the EU.

International work

The GEO leads within Government on international and EU policy matters relating to gender equality – this is sometimes referred to as the women's national machinery. We led the UK Delegation to the annual UN Commission on the Status of Women (CSW)²⁵. And we have prepared the UK's 6th Periodic Report on the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) to the United Nations CEDAW Committee²⁶. The hearing took place on 10 July 2008²⁷.

The GEO is also the lead UK Department on forthcoming EU negotiations on the draft EU Equality Directive published in July 2008.

25 <http://www.un.org/womenwatch/daw/csw/52sess.htm&foo=3>

26 http://www.equalities.gov.uk/publications/6th_cedaw_report.doc

27 <http://www.equalities.gov.uk/news/news-page1.htm>

Setting up GEO as a standalone Department

The establishment of GEO as a stand-alone Department is expected to be completed by summer 2008, as outlined in our Business Plan.

GEO in its first year has relied heavily on CLG and DWP for support and shared services. GEO's main accommodation has remained CLG premises in Victoria, London SW1, with our Ministers and their GEO support staff based at 26 Whitehall in Cabinet Office premises.

CLG has continued to provide human resources, finance, IT and telephony systems for GEO. DWP has provided a number of specialist corporate, accountancy and human resources staff on secondment to GEO, and also access to learning and development for GEO's staff. Increasingly during the year we have begun securing these shared services from GEO's own administration budget, eg. a one-year agreement to use CLG as our main accommodation until March 2009. The GEO has also bought in specialist communication staff from the GEO to work on specific projects e.g. website development, marketing, visual identity and communications strategy. Specialists have also been engaged to work on short term projects e.g. research strategy and speechwriting.

There have also been a number of secondments into the GEO from a range of organisations and we expect this to continue.

More recent GEO corporate achievements have included agreement of the GEO's Departmental Strategic Objective in March 2008, publishing our Business Plan 2008-9 and establishing our Board, both in April 2008.

Looking Ahead

Also in July 2008, at around the same time as publication of this report, we expect to publish the Ministers for Women Priorities one year on report, as well as the full response to the Discrimination Law Review consultation and further detailed paper on the Equality Bill. We will also publish a more detailed Business Plan for 2008-2010 in the summer, as well as a fuller response to the Equalities Review, and our first Equalities PSA delivery plan. Our Autumn Performance Report will include initial progress on delivery of the Equalities PSA.

Chapter 4: Performance report

Public Service Agreement 9 (Spending Review 2004): Gender Equality

Gender PSA Definition:

By 2008, working with other departments, to bring about measurable improvements in gender equality across a range of indicators, as part of the Government's objectives on equality and social inclusion.

Progress

The GEO became the lead Department for this cross-cutting PSA, which formally concluded in April 2008. Its existence helped us focus work on key issues across government departments and helped to lay the foundations for the Gender Equality Duty and the subsequent Equality PSA. A summary of progress against individual sub-targets is given at Annex B.

At the outset of the PSA the then Women and Equalities Unit was situated in the DTI. The PSA focused particularly on work which DTI was doing to promote greater gender equality in economic participation and in the workplace. Significant progress has been made in a number of areas over the last 3 years, including in employer provision of flexible working and childcare facilities and arrangements for working parents, as well as an increase in the proportion of newly self-employed who are women. Alongside this, wider action across government has resulted in a substantial increase in the number of registered childcare places, and the introduction of the Childcare Approval Scheme. Gender imbalances in skills are also being addressed, and there have been increases in the numbers of girls and boys

gaining level 2 and 3 in National Vocational Qualifications in skills areas where they are underrepresented. Figures for take up of formal childcare by lower income working families also show an improvement.

However, monitoring has shown slippage against a number of indicators. Although more employers are providing flexible working options, the latest data indicates that the sub-target on increasing employee awareness of the right to request flexible working patterns will not be met, and while childcare provision has increased, current indications are that there has not been a significant increase in take-up of opportunities by lower-income families. Sub-targets addressing occupational segregation of women in the labour market, and representation at senior levels in public appointments and in the civil service also show relatively slow improvement.

Although the PSA period is now at an end, action continues to address areas where insufficient progress has been made to meet the sub-targets. For example, GEO and BERR are planning a major campaign in autumn 2008 to increase employee awareness of flexible working rights, in the run-up to the extension of the right to request flexible working to parents of older children. New plans to increase the numbers of women, disabled people and people from ethnic minorities in public appointments were announced on 14 July. Closing the gender pay gap is an indicator in the Equality PSA, and this will require action across a range of areas.

A number of sub-targets are awaiting final data collection before progress can be assessed fully, although in some areas, notably action on

domestic violence arrests and second tier pension provision for women, evidence indicates promising progress.

The GEO's resources on delivery of the Gender PSA for 2007-8 have largely been staff costs. (Part of the work of three to four staff, mainly at higher executive officer level with oversight from the Deputy Director for Gender Equality Policy and the GEO's Director. There has been programme spend, e.g. on taking forward Women and Work Commission recommendations which relate to some of the sub-targets.

Chapter 5: Managing our resources and other information of interest to the public

This chapter sets out how we managed our resources in 2007-08 and what we have done to improve our capacity to deliver. It sets out the ways in which we are working to reduce the burden of our policy proposals on businesses and charities, and details the work which we have set in hand to improve the way in which we run our business.

At the beginning of the financial year, the GEO's functions were part of CLG and our resources were thus included in the estimates for CLG. Following the formal legal transfer of functions in October 2007, Parliament approved the GEO's Winter Supplementary Estimate as a stand-alone Department. An explanatory memorandum to the CLG Select Committee was submitted and published.²⁸

Financial management

Administration Budget

To minimise administration costs and inefficiencies, the GEO is securing some of the services we need as a stand-alone Department from providers in DWP and CLG. For example, we currently buy in accountancy services from DWP and internal audit, IT and accounting systems from CLG, who also provide our accommodation.

Consultancy Spending

We have used a consultant to help develop our Single Equality Scheme, due to be published this summer, and we have used the Central Office of Information to help develop our website and our communications strategy and products.

²⁸ www.parliament.the-stationery-office.co.uk/pa/cm200708/cmselect/cmcomloc/memo/winter/m03.pdf

To meet the immediate need of setting up a department from scratch, we have employed a number of agency staff to meet short-term needs.

Departmental approach to asset management

GEO has no significant assets and there is no current need to establish a formal asset management policy or asset register.

Human resources

Terms and Conditions

The GEO inherited staff from CLG, which had responsibility for equalities in 2006-07, and from DWP, the Home Office and the former DTI. These staff currently work on loan to GEO, under the terms and conditions applying in their parent departments.

A key priority for GEO has therefore been to make progress in moving all its staff onto the same terms and conditions, working closely and openly with trade unions and staff. This process, led by an experienced HR adviser loaned to the GEO by DWP, was completed in June 2008. Our considered approach, endorsed by trade unions, is that we should adopt the CLG 'basic' model for terms and conditions in GEO as this offers the best deal for our staff. In doing so we have told the trade unions that we would wish to negotiate on some specific areas for change over the next 12 months. In keeping with the principles governing machinery of government changes, no-one will suffer any detriment as a result of moving to a single set of terms and conditions. For example, we will honour existing salaries, if

they are above the CLG scales and honour any pay deals that have been agreed on progression rates until such time as these expire. The approach offers no change for some 75% of our workforce who are already on CLG terms and conditions. GEO will now agree its own pay remit with HMT for 2008 pay awards.

GEO staff have ‘common citizenship’ with DWP and we have recently reached an agreement with DWP that this means they will have access to, among other things, DWP’s vacancies and learning and development arrangements. We are grateful to DWP for this. Similar arrangements with CLG are proposed, until at least October 2009. GEO staff also have access to vacancies in the GOs.

The GEO had 88 staff in post at the end of June 2008. Most new staff have been recruited from elsewhere in the Civil Service, and others from employment agencies on short-term contracts to help with administration.

There are currently 6 staff employed at SCS level. Pay Bands are from 1 (Deputy Director) to Band 3 (Director General) and pay ranges are shown in the Resource Accounts.

Table 2: Numbers of SCS by payband

Band 3 (DG)	1
Band 2 (Director)	2
Band 1 (Deputy Director)	3

Figures current at June 2008

GEO Workforce – Gender and Ethnicity

As a new Department, the GEO is determined to be transparent in accounting for its performance. This is particularly important in our action to

address discrimination and promote equality. The GEO will shortly be consulting on its first single equality scheme, as set out in our Business Plan. In the interim, we set out below the provisional breakdown of our staff according to gender and ethnic origin as at the end of June 2008. These figures will be updated on a regular basis.

- 88 staff work in the GEO of which 56% are women and 44% men.
- There are 6 senior civil servants in our senior management team, 4 women and 2 men.
- The Gender Pay Gap is currently estimated at minus 4%, that is the median pay of women in GEO is higher than the median pay of men.
- 12% of GEO staff are from a Black, Asian or minority ethnicity.

We will be publishing information about disability later in July.

Occupational Health & Safety

GEO does not manage any premises, and relies on the Health and Safety management responsibilities discharged via CLG, for staff based in Eland House, and Cabinet Office for the private and press office staff based in Whitehall.

Consultations

The Discrimination Law Review consultation on the Equality Bill began in June 2007 shortly before GEO’s establishment, but was taken forward by the GEO which has received and analysed over 4000 responses which have informed policy development within Government on the Equality Bill.

At Ministers' request, the WNC undertook an informal consultation with women's organisations on the Ministers for Women priorities in summer 2007.

Better Regulation

Impact Assessments

The GEO has prepared impact assessments (IAs) for all new legislation introduced and draft impact assessments for the proposed Equality Bill measures, adopting the revised formats introduced in spring 2007.

Simplification and Administrative Burdens Reductions

The former Women and Equality Unit took part in the administrative burdens measurement exercise when it formed part of the former DTI, and continued its work on reducing burdens during its subsequent time in CLG. The measures the WEU intended to take were set out in CLG's Simplification Plan published in December 2006.

In 2006 we identified the establishment of the EHRC and the Discrimination Law Review as our two key vehicles for delivering admin burden savings.

GEO's own Simplification Plan²⁹, published in December 2007, discusses this in further detail, outlines our main achievements since December 2006 and sets out our future simplification plans.

The GEO is committed to ensuring that policies are implemented and delivered in line with better regulation principles. In 2008 GEO will publish a progress report next year in the same way as other government departments.

29 www.equalities.gov.uk/about/index.htm

Best practice examples

The GEO has been working to widen the number of employers and organisations it works with and aims to support employers and business to deliver equality policies and practices in a practical way. The GEO will continue this work. Specific examples of how we do this include

Gender Equality List

The GEO have been working closely with key stakeholders to develop a gender equality check list (as recommended by the Women and Work Commission). This will allow employers to identify where their working practices may be contributing to the gender pay gap. Plans are to pilot the check list across various sectors to ensure that it is as useful as possible. Administrative burden is reduced for business here as the tool will be web based and employers can use this voluntarily.

Exemplar Employers

The exemplar employer initiative brings together 113 employers who are running projects and initiatives to tackle one or more of the causes of the gender pay gap. Progress of the exemplar employers has been tracked and a best practice document will be available on the website. Again the administrative burden is reduced for employers as the best practice sharing is voluntary and entirely web based. This will enable businesses to share good practice in areas which will have benefits for their business, such as increasing the percentage women returning from maternity leave to work with the company, meaning that they do not have to incur recruitment costs

Quality Part-Time Work Fund

The Government's £500k Quality Part Time Work Fund is funding 13 projects designed to increase the number of senior and quality jobs that are available on a part-time basis. This constructive work with employers fits with the Government's light regulatory touch approach to labour market issues.

We will set out further examples in the course of developing our impact assessment for the Equality Bill.

Transparency of implementation plans for European legislation

In April 2008 the GEO completed implementation of the EU Gender Goods and Services Directive 2004/113/EC. This is an example of how it informs the public of new European Union (EU) legislation through use of Impact Assessments (IAs) and public consultation.

Communications

Public information

The GEO has established its own website www.equalities.gov.uk developing the site of the former WEU, moving to new hosting arrangements in spring 2008 and in due course to a new website format specific to GEO's remit.

A visual identity and strapline for GEO has been developed, with much of the work being done in-house and through COI. The strapline 'putting equality at the heart of Government' was agreed by Ministers following a GEO staff competition at nil cost to the public purse.

Media relations

GEO currently has two press officers who support Ministers and work across the GEO on media relations.

Legal Services

Treasury Solicitors Office (TSol) provides professional legal advice and drafting services that contribute to delivery on the full range of the Department's objectives. Key activities are drafting of primary and secondary legislation, providing advice on equalities and employment law, freedom of information, human rights and European law and on litigation as required.

Information of Public Interest

The following information is intended to accompany the Department's resource accounts (Volume 2).

Departmental Reporting Cycle

Performance against Departmental aims, objectives and targets is formally reported in the Departmental Report and Autumn Performance Report.

The Departmental Report covers expenditure, performance against the Department's Public Service Agreement (PSA) targets and describes other activities in support of the Department's objectives. It also includes information relating to a number of units and organisations that are attached to the Department.

In future years the Department will publish an annual Autumn Performance Report, which

provides an update on progress against PSA targets since the preceding Spring Departmental Report.

The GEO will publish an annual report and accounts. These are subject to review and audit by the National Audit Office and may be considered by the Communities and Local Government Select Committee. The GEO Board considers reports on GEO budget and spend monthly. In the winter 2007 supplementary estimates GEO was allocated an additional sum of £1.8 million towards its administration budget to meet the extra costs arising as a result of the decision to establish GEO as a stand-alone department from 12 October 2007

The Department applied for Winter and Spring Supplementary Estimates, details of which are available in the Central Government Supply Estimates 2007/08 Winter Supplementary Estimates and the Central Government Supply Estimates 2007/08 Spring Supplementary Estimates. These can be found on the HM Treasury website:

http://www.hm-treasury.gov.uk./media/9/7/wintersupps_geo_0708.pdf

http://www.hm-treasury.gov.uk./media/D/8/springsupps0708_equalities.pdf

Principal risks and uncertainties of GEO

There are no known financial, operational or legal risks to GEO. Like other central government Departments the GEO is subject to machinery of government changes.

Key relationships with stakeholders that might affect the entity's long-term position

GEO has identified all key stakeholders and meets with them regularly either individually or in

established forums. This minimises risks and promotes consensus as to GEO's role.

Policy and achievement of policy on social and community issues

GEO is based in CLG's administrative headquarters in Eland House in London and has adopted the social, community and environmental policies of CLG.

Policy and achievement of policy on the entity's employees

The GEO values effective working relationships with staff and consults regularly with them and trades unions on important issues such as flexible working patterns, recruitment and restructuring. Staff have joined GEO on loan from a number of departments and work to different terms and conditions. GEO is currently considering with staff and unions what terms and conditions will apply – this is underwritten by a commitment to ensure that the final set of terms and conditions will not be detrimental to any individual. Since its establishment in October 2007 GEO has held numerous focus groups and two awaydays to explore the issues of most concern to staff. GEO sets great store by diversity in its workforce and monitors the ethnicity, gender and disability mix in the workforce.

Environmental Sustainability Report

As a small Department based within the premises of another Department, the GEO does not have its own Environmental Policy. We share services with CLG and other Departments; GEO is committed to sustainable development through, for example, office accommodation and IT.

Annex A: Core Tables

Background

In all the Core Tables the 2007-8 forecast outturn figures reflect the forecasts prior to the audit of the Resource Accounts by the National Audit Office. The 2007-8 figures will be amended once the audit is completed.

Core Table 1 shows Total Departmental Spending, which is the sum of the resource budget (including administration costs) and capital budget less depreciation (excluded so as to avoid double counting). Core Tables 2 and 3 break this down between resource and capital budgets respectively. In each case, the tables include both DEL (Departmental Expenditure Limit) and AME (Annually Managed Expenditure) elements for control purposes, which this year are split out for the first time.

- DEL budgets are negotiated with HM Treasury via Spending Reviews (SRs) that cover three years. The most recent (SR2004) covers 2005-06 to 2007-08. DEL consolidates the resource and capital expenditure of the Non-Departmental Public Bodies (NDPBs) that the Department sponsors.
- AME budgets are usually demand-led and not easily controllable by departments so are set following discussions with HM Treasury via the Parliamentary Main Estimate at the beginning of the year. They can be updated during the year through the Winter and Spring Supplementary Estimates subject to approval by Parliament.

Comparisons with Main Estimates

The categories used in these tables are the department's strategic priorities, which are also used in the 2007-08 Main Estimates. Main Estimates, however, include grant-in-aid to NDPBs rather than NDPBs' expenditure as shown in these tables. These categories are used as the structure of this part of the Report has to be finalised earlier than other sections in order to ensure consistency of data with Main Estimates and HM Treasury Budget publications.

Table 1: Resource Budget

	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Forecast Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
Consumption of resources:									
Government Equalities Office	32,703	44,799	58,819	56,236	60,001	88,215	77,166	78,764	78,184
Total Resource Budget	32,703	44,799	58,819	56,236	60,001	88,215	77,166	78,764	78,184
<i>Of which</i>									
Resource DEL	32,703	44,799	58,819	56,236	60,001	88,215	77,166	78,764	78,184
Capital Spending									
Government Equalities Office	91	1,088	1,058	863	328	7,175	7,000	7,000	7,000
Total Capital Budget	91	1,088	1,058	863	328	7,175	7,000	7,000	7,000
<i>Of which</i>									
Capital DEL	91	1,088	1,058	863	328	7,175	7,000	7,000	7,000
Total Public Spending	32,610	44,923	58,829	56,051	59,185	94,716	83,602	85,200	84,620
Depreciation is									
Intangible Fixed Asset Dep'n					43				
Tangible Fixed Asset Dep'n	184	964	1,048	1,048	1,101	674	564	564	564
Total Dep'n	184	964	1,048	1,048	1,144	674	564	564	564

Note Total Public Spending is resource budget plus capital budget minus depreciation.

Table 2: Resource Budget

	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Forecast Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
Government Equalities Office	32,703	44,799	58,819	56,236	60,001	88,215	77,166	78,764	78,184
<i>of which</i>									
Central Administration	3,126	3,128	3,243	2,667	3,457	5,001	4,085	4,004	3,924
Commission for Racial Equality	25,184	18,761	28,332	18,749	20,111	9,673	-	-	-
Equal Opportunities Commission	3,686	8,262	8,743	9,804	8,968	3,887	-	-	-
Commission for Equality and Human Rights						58,614	63,161	63,960	63,679
Disability Rights Commission		13,941	16,074	21,399	21,010	11,046	-	-	-
Equality policy and Womens National Commission	707	707	2,427	3,617	6,455	38	9,920	10,800	10,581
European Year of Equal opportunity for all	-	-	-	-	-	-44	-	-	-
Total Resource Budget	32,703	44,799	58,819	56,236	60,001	88,215	77,166	78,764	78,184

Table 3: Capital Budget

	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Forecast Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
Government Equalities Office	91	1,088	1,058	863	328	7,175	7,000	7,000	7,000
<i>of which</i>									
Central Administration	–	–	–	–	–	–	–	–	–
Commission for Racial Equality	91	245	676	338	255	175	–	–	–
Equal Opportunities Commission	–	99	116	–	–	–	–	–	–
Commission for Equality and Human Rights	–	–	–	–	–	7,000	7,000	7,000	7,000
Disability Rights Commission	–	755	266	525	73	–	–	–	–
Equality policy and Womens National Commission	–	–	–	–	–	–	–	–	–
European Year of Equal opportunity for all	–	–	–	–	–	–	–	–	–
Total Resource Budget	91	1,088	1,058	863	328	7,175	7,000	7,000	7,000

Table 4: Capital Employed

£000s Assets on balance sheet at end of year	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Forecast Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
Fixed assets¹	-	-	-	-	-	-	-	-	-
<i>Intangible Assets</i>	-	-	-	-	-	-	-	-	-
<i>Tangible Assets</i>	-	-	-	-	-	-	-	-	-
Current Assets					31,215	88,700	50,000	50,000	50,000
Creditors < 1 year	-	-	-	-	-31,215	-88,699	-50,000	-50,000	-50,000
Creditors > 1 year	-	-	-	-	-	-	-	-	-
Provisions ²	-	-	-	-	-	-	-	-	-
Capital Employed within main department	0	0	0	0	0	1	0	0	0
NDPB Net Assets									
NDPB Net Assets									
Commission for Racial Equality	-947	2,445	780	463	450				
Disability Rights Commission		1,349	1,662	1,593	1,544				
Equal Opportunities Commission	-100	-142	-52	-239	96				
Commission for Equality and Human Rights ³									
Total	-1,047	3,652	2,390	1,817	2,090	0	0	0	0
Total Capital employed in Departmental Group	-1,047	3,652	2,390	1,817	2,090	1	0	0	0

Notes

- 1 The Government Equalities Office has no fixed assets.
- 2 The Government Equalities Office does not have any provisions.
- 3 Includes in 2007-8 all assets and liabilities transferred from the legacy commission Equal Opportunities Commission, Disability Rights Commission and Commission for Racial Equality

Table 5 :Administration Costs

£000s	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Forecast Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
Gross Administration Costs									
Pay bill	2,787	2,789	2,904	2,328	3,118	3,864	3,350	3,255	3,179
Other	339	339	339	339	339	1,137	735	749	745
Total Gross Admin Costs	3,126	3,128	3,243	2,667	3,457	5,001	4,085	4,004	3,924
Related admin cost receipts	-	-	-	-	-	-	-	-	-
Total net administration costs	3,126	3,128	3,243	2,667	3,457	5,001	4,085	4,004	3,924

Table 6: Staff numbers¹

	2006-7 Actual	2007-8 Actual	2008-9 Plans	2009-10 plans	2010-11 plans
Government Equalities Office					
CS FTEs ²	62	62	115	115	115
Temporary Staff ³		8			
Total Gross Admin Costs	62	70	115	115	115

1 All figures are based upon an average of the financial year. Excludes Minsiters and Special Advisers

2 CS FTEs refers to FTE staff in permanent civil service posts.

3 Temporary Staff refers only to those on short term contracts or agency staff appointed through GEO HR.

Annex B: Gender PSA delivery

Definition

By 2008, working with other departments, to bring about measurable improvements in gender equality across a range of indicators, as part of the Government's objectives on equality and social inclusion.

Overall progress

The overall PSA target would be met if there had been sufficient progress on indicators 1-4. While

there has been good progress in these areas, our assessment is this will not be sufficient for the PSA to be met in its entirety. The tables below give the position for each indicator as at July 2008.

Quality of data systems

Poor. Final data for the majority of the sub-targets is still to be published and some of this unlikely to be available until 2009.

Indicator 1(i)	A statistically significant increase in employee awareness of the right to request flexible working arrangements
Assessment	Not met
Notes	The Work Life Balance Study found that awareness among parents with children under 6 (i.e. those who qualified for the right at the time) was 65%, higher than that of all employees. GEO and BERR will launch a campaign to raise awareness of the right to request flexible working in the Summer.
Indicator 1(ii)	A statistically significant increase in the percentage of employers who provide two or more flexible working time arrangements to their employees
Assessment	Met
Indicator 2	Increase from 8 per cent to 16 per cent the number of employers who provide childcare facilities or who provide arrangements
Assessment	Met
Indicator 3	An increase to 45 per cent in the number of large organisations that have undertaken Equal Pay Reviews
Assessment	Slippage
Notes	Research by the Equality and Human Rights Commission will inform progress against this indicator.

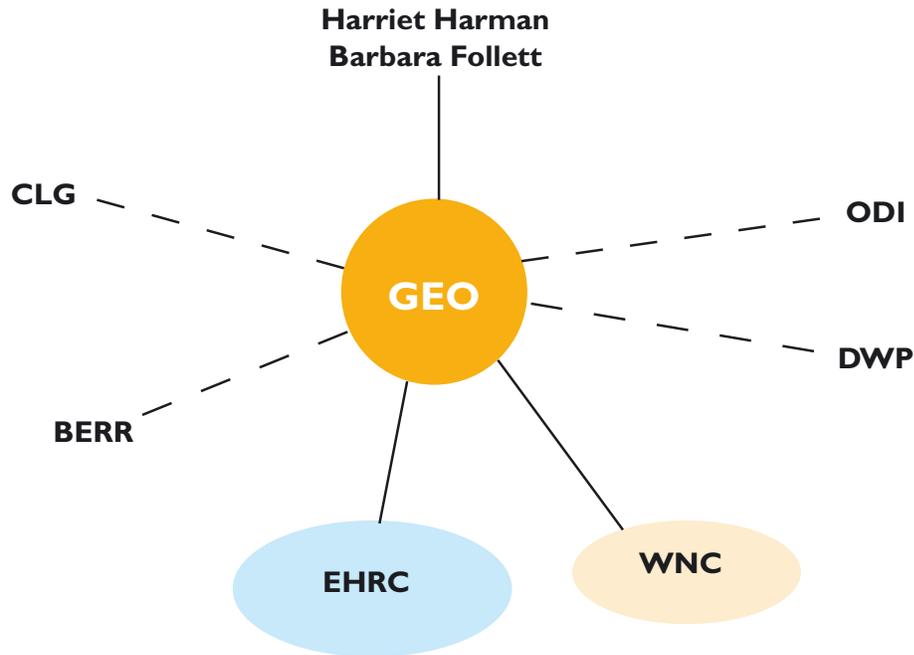
Indicator 4(i)	Ensure that women make up 40 per cent of the representation of Science, Engineering and Technology (SET) related boards and councils
Assessment	Slippage
Notes	Final data due October 2008
Indicator 4(ii)	By 2008, to increase the number of women starting up in business. To this end, there will be a statistically significant increase in the proportion of newly self-employed people who are female
Assessment	Slippage
Notes	Final data due during 2008
Indicator 4(iii)	Reverse the serious under-representation of women in ITEC jobs and bring their share up to the level of our competitors.
Assessment	Slippage
Notes	Final data due September 2008
Indicator 5(i)	To achieve a statistically significant increase in boys and girls where under-represented (Level 2 and 3 NVQs in childcare)
Assessment	On course
Notes	Final data due December 2008
Indicator 5(ii)	To achieve a statistically significant increase in boys and girls where under-represented (Level 2 and 3 NVQs in healthcare)
Assessment	On course
Notes	Final data due December 2008
Indicator 5(iii)	To achieve a statistically significant increase in boys and girls where under-represented (Level 2 and 3 NVQs in construction).
Assessment	On course
Notes	Final data due December 2008

Indicator 6	A clear majority of departments should have over 40 per cent of women in public appointments for which they are responsible.
Assessment	Slippage
Notes	Final figures due December 2008
Indicator 7(i)	37 per cent of all Senior Civil Service posts should be filled by women.
Assessment	Slippage
Notes	Final data due October 2008
Indicator 7 (ii)	30 per cent of SCS top management posts should be filled by women.
Assessment	Slippage
Notes	Final data due October 2008
Indicator 8(i)	Reducing the proportion of children in households where no one is working by increasing the number of registered childcare places.
Assessment	Met
Indicator 8(ii)	Reducing the proportion of children in households where no one is working by increasing take-up of formal childcare by lower income families.
Assessment	Slippage
Notes	Final data due during 2008
Indicator 8(iii)	Reducing the proportion of children in households where no one is working by introducing a successful childcare approval scheme.
Assessment	Met
Indicator 9	By 2008, to increase percentage of reported domestic violence incidents where an arrest is made related to the incident.
Assessment	Met
Indicator 10	Increase the coverage of second tier pensions for women
Assessment	On course
Notes	Final data due during 2008



Indicator 11	Deliver improvements to the accessibility, punctuality and reliability of local public transport (bus and light rail) with an increase in use by men and women of more than 12 per cent by 2010 compared with 2000 levels, with growth in every region
Assessment	On course
Notes	Data for 2007/8 during 2008

Annex C: Government Equalities – who does what



What the GEO leads on³⁰

Legislative framework

Discrimination Law Review (Government response to 2007 consultation)

Equality Bill (2008-9 legislative programme)

Equality Act 2006

Sex Discrimination Act 1975

Sex Discrimination (Election Candidates) Act 2002

Race Relations Act 1976

Equal Pay Act 1970

Civil Partnership Act 2004

and associated secondary legislation under the above Acts

³⁰ See explanatory memorandum on transfer of functions from CLG to the GEO at: www.opsi.gov.uk/si/si2007/em/ukxiem_20072914_en.pdf

Government's overall policy and legislation on equality issues

Policy on gender equality and sexual orientation, and for integrating work on race, and on religion or belief equality, into the overall equality framework.

Government's sponsorship of the:
Equality and Human Rights Commission (EHRC)
Women's National Commission (WNC)

Equalities PSA 2008-11 (PSA15)

Gender PSA 2004-8

EU Equality Directive

Ministers for Women Priorities

National Equality Panel/Taskforce

BAME Women Councillors Taskforce



GEO has grant-making functions under the Employment and Training Act 1973 and the Charities Act 2006.

What other Government Departments and the devolved administrations lead on

CLG continue to lead on race and faith policy (other than in respect of certain equality matters) including PSA 10 on race equality and community cohesion³¹

DWP lead on disability policy and legislation (ODI) and on age policy (older people) including PSA 17.

BERR, which leads on employment rights, has responsibility for some specific aspects of discrimination law in the workplace³² – age, religion or belief and sexual orientation – but not policy more generally.

DCSF, (DIUS for further and higher education) and the Scottish and Welsh Governments are responsible for equality law and policy in the field of education, and for children and youth policy.

Moj leads on human rights law and policy and on the Gender Recognition Act.

The Office of the First Minister and Deputy First Minister (OFMDFM) leads on equalities legislation and policy within Northern Ireland, as a devolved matter.

31 CLG Annual Report, May 2008 Chapter 8 Reducing inequalities and building community cohesion:
www.communities.gov.uk/publications/corporate/annualreport08

32 The Employment Equality (Age) Regulations 2006
www.berr.gov.uk/employment/discrimination/index.html

Annex D: Public Bodies

Executive Non-Departmental Public Body

Equality and Human Rights Commission

The Equality and Human Rights Commission (EHRC) is an integrated NDPB responsible for setting strategic equality objectives across all equality strands and working with partners in the public and private sector to deliver agreed equality outcomes. It has now replaced the former equalities commissions – Commission for Racial Equality (CRE), Equal Opportunities Commission (EOC) and Disability Rights Commission (DRC).

Trevor Phillips was appointed Chair in September 2006. Ten Commissioners were appointed in December 2006, and the Commissioner for Scotland was appointed in March 2007. Dr Nicola Brewer CMG was appointed Chief Executive in 2007. A further two Commissioners were appointed by GEO in December 2007 – Joel Edwards and Maeve Sherlock. EHRC is responsible for salary and expenses payments to its Commissioners, three of whom are members of the House of Lords.

EHRC was launched on 1 October 2007. This new body is working to eliminate discrimination, reduce inequality, protect human rights and to build good relations between groups, ensuring that everyone has a fair chance to participate in society. The new commission brings together the work of the three previous equality commissions and also takes on responsibility for other aspects of equality: age, sexual orientation and religion or belief, as well as human rights.

The Commission will provide advice for businesses, employers, education centres, public authorities and service providers who have specific responsibilities to their staff, customers and those under their care. They will provide practical information for all kinds of organisations to help them meet their duties and promote fairness and dignity in their respective areas of work.

For the first time a single commission is responsible for promoting awareness and understanding of the equality legislation and businesses, and employers and other organisations as well as individuals will have a single point of contact for questions about equality.

Advisory Non-Departmental Public Body

Women's National Commission

The Women's National Commission, established in 1969, is an umbrella organisation representing women and women's organisations in England, Northern Ireland, Scotland and Wales. Its aim is to ensure women's views are aired in government and in wider public debate.

Baroness (Margaret) Prosser stepped down as WNC Chair in early 2007 following her appointment as Deputy Chair of EHRC. Baroness (Joyce) Gould was appointed acting Chair and confirmed as permanent Chair in March 2008.

GEO is currently recruiting six or so new WNC Commissioners to expand the WNC Board and strengthen its strategic focus. Ministers have accepted recommendations from a light-touch review of WNC conducted in 2006-7, including an

ongoing role for WNC as the official independent advisory body giving the views of women to the Government.

WNC is accountable for salary and expenses payments to its Commissioners, two of whom are members of the House of Lords.

Equality and Diversity information for GEO's NDPBs

Table DI Total public appointments to bodies for which GEO is responsible, as at 31 March 2008

	Total appointees	Male appointees	Female appointees	Female appointees (%)
EHRC	16	6	10	62.5
WNC	6	0	6	100
Total	22	6	16	72.7

	Total appointees	Disabled appointees	Disabled appointees (%)
EHRC	16	3	18.8
WNC	6	0	0
Total	22	3	13.6

	Total appointees	Ethnic minority appointees	Ethnic minority appointees (%)
EHRC	16	6	37.5
WNC	6	2	33.3
Total	22	8	36.4

Annex E: Glossary of acronyms and abbreviations

AME	Annually Managed Expenditure	EOC	the former Equal Opportunities Commission
BAME	Black, asian and minority ethnic	ETN	Efficiency Technical Note
BERR	Department for Business, Enterprise and Regulatory Reform	EU	European Union
BME	Black and minority ethnic	EYEOA	European Year of Opportunities for All
BRE	Better Regulation Executive	FTE	Full Time Equivalent
CLG	Department for Communities and Local Government	FTI	Floor Target Interactive
COI	Central Office of Information	GLA	Greater London Authority
CRE	the former Commission for Racial Equality	GOs	Government (regional) Offices
CSR 2007	Comprehensive Spending Review 2007	GVA	Gross Value Added
DCSF	Department for Children Schools and Families	HMT	Her Majesty's Treasury
DEFRA	Department for Environment Food and Rural Affairs	HRA	Human Rights Act
DEL	Departmental Expenditure Limit	IA	Impact Assessment
DfES	the former Department for Education and Skills	IDeA	Improvement and Development Agency
DfT	Department for Transport	ITEC	Information Technology Electronics and Communication
DLR	Discrimination Law Review	LA	Local Authority
DRC	the former Disability Rights Commission	LAA	Local Area Agreement
DSO	Departmental Strategic Objective	LG	Local Government
DTI	the former Department of Trade and Industry	LGA	Local Government Association
DWP	Department for Work and Pensions	MfW	Minister for Women
EHRC	Equality and Human Rights Commission	MoJ	Ministry of Justice
		NAO	National Audit Office
		NDPBs	Non-Departmental Public Bodies
		NHS	National Health Service
		NS	National Statistics



ODI	Office for Disability Issues
OGC	Office of Government Commerce
OGDs	Other Government Departments
ONS	Office for National Statistics
OTS	Office of the Third Sector
PAC	Public Accounts Committee
PFI	Private Finance Initiative
PSA	Public Service Agreement
QC	Queen's Counsel
RIA	Regulatory Impact Assessment
RRA	Race Relations Act 1976
RRO	Regulatory Reform Order
SCS	Senior Civil Service
SDA	Sex Discrimination Act 1975
SR04/SR2004	Spending Review 2004
TSol	Treasury Solicitors
WEU	the former Women and Equality Unit
WNC	Women's National Commission
WWC	Women and Work Commission

Annex F: Useful addresses

Government Equalities Office

5/G10 Eland House
Bressenden Place
London SW1E 5DU
Telephone: 020 7944 0601
Fax: 020 7944 0602
E-mail: enquiries@geo.gsi.gov.uk
Website: www.equalities.gov.uk

Executive Non-Departmental Public Body

Equality and Human Rights Commission
0845 604 6610 – England main number
For full details see Contact Us at
www.equalityhumanrights.com

Advisory Non-Departmental Public Body

Women's National Commission
4/G9 Eland House
Bressenden Place
London SW1E 5DU
Telephone: 020 7944 0585
Fax: 020 7944 0583
E-mail: wnc@communities.gsi.gov.uk
Website: www.thewnc.org.uk

Volume 2

Resource Accounts

Management Commentary

Departmental boundary

The departmental boundary in this context relates to the boundary of the Departmental Resource Accounts.

Entities within the departmental boundary

Advisory Non-Departmental Public Bodies (NDPBs)

The GEO sponsors one body (the WNC) with links to the Department but whose work does not contribute directly to the achievement of the Department's objectives and whose funding arrangements are separate.

Entities outside the departmental boundary

Entities outside the departmental boundary which are not consolidated for accounting purposes but are consolidated for budgeting purposes include:

Executive Non-Departmental Public Bodies (NDPBs)

Executive NDPBs are established in statute and carry out administrative, regulatory and commercial functions; they employ their own staff, are allocated their own budgets, are self accounting and produce their own accounts. The EHRC falls within this category.

Statutory background

On 26th July 2007 the Prime Minister announced the establishment of the Government Equalities Office to strengthen further the government's ability to deliver across the entire equalities agenda. At that stage the Government Equalities Office was to be part of The Department for Work and Pensions. On the 12th October 2007 a Transfer of Functions Order came into effect and the Government Equalities Office became a separate department required to produce its own report and accounts.

The Government Equalities Office presents the Annual Report and Accounts for the financial year ended 31 March 2008. The accounts have been prepared in accordance with the direction given by HM Treasury in pursuance of section 7(2) of the Government Resources and Accounts Act 2000.

These financial statements relate solely to the Government Equalities Office's expenditure, and have been prepared in accordance with the accruals concept to give a true and fair view of the Department's affairs.

Disclosure of Relevant Audit Information

As far as the Accounting Officer is aware, there is no relevant audit information of which GEO's auditors are unaware, and the Accounting Officer has taken all the steps he ought to have taken to make himself aware of any relevant audit information and to establish that GEO's auditors are aware of that information.

Auditor

GEO's auditor is the Comptroller and Auditor General. The notional audit fee for the statutory audit of the 2007-08 Departmental Resource Accounts was £ 50,000.

Results for the year

The Operating Cost Statement shows:

- The net operating cost amounted to £83.016 million (2006-07 £57.8 million)
- The net operating cost has been calculated after taking into account notional costs which are not currently charged to the Government Equalities Office but which are borne centrally by the Exchequer.
- The net resource outturn amounted to £83.716m against an Estimate total of £109.233 million. The under spend is largely due to unclaimed cash grant of nearly £20m by the Government Equalities Office's Non Departmental Public Bodies. The bodies spent close to their budgets but required less cash to fund that expenditure than planned.

Resource funding by Parliament

The Government Equalities Office is a supply financed Government Department and, as such, remains subject to gross expenditure control under the Parliamentary Vote system. The GEO is accountable to Parliament for its expenditure and Parliamentary approval for its spending plans is sought through Supply Estimates presented to the House of Commons.

Employment of disabled persons

People with disabilities, as defined in the Disability Discrimination Act 1995, are employed within the Government Equalities Office. Government Equalities Office aims to improve services for disabled staff and undertakes reasonable adjustments to the working environment where necessary.

Commitment to equality and valuing diversity

The Government Equalities Office is committed to providing services which embrace diversity and which promote equality of opportunity. As an employer we are also committed to equality and valuing diversity within our workforce. Our goal is to ensure that these commitments are embedded in our day-to-day working practices.

Employee involvement

The Government Equalities Office respects its staff as people and values their contribution. An internal communications network is in place, reinforced by focus groups and discussions with staff.

Staff have access to welfare services and trade union membership. The Government Equalities Office has established procedures for consulting with trade unions.

Payments to suppliers

The Government Equalities Office is committed to the prompt payment of bills for goods and services received. Payments are normally made when goods and services are received. A payment may be made earlier if it is legally due under a contract term. If there is no specific deadline, contract payments are made within 30 days of receipt of the goods and services, on the presentation of a valid invoice or claim whichever is the later. Performance statistics for GEO are not separately available for 2007-8 as all invoices were processed by the Department for Communities and Local Government on their systems. Statistics will be available for 2008-9.

The 'Late Payment of Commercial Debts (Interest) Act 1998' which came into effect from 1 November 1998 and the 'late payment of Commercial Debts Regulations 2002' which came into force on 7 August 2002 provides all businesses and public sector bodies with the following entitlements:

- the right to claim interest for late payment;
- the right to claim reasonable debt recovery costs, unless the supplier has acted unreasonably;
- the right to challenge contractual terms that do not provide a substantial remedy against late payment; and
- the right for 'representative bodies' to challenge contractual terms that are grossly unfair on behalf of small and medium sized enterprises.

No such charges have been incurred.

Appointment and remuneration of the Director General

The permanent head of the Government Equalities Office was appointed by the Lord Privy Seal. The appointment is for an indefinite term under the terms of the Civil Service Commissioners' Recruitment Code.

Management Board (Senior Management Team)

Members of the Management Board (Senior Management Team) during the year were:

Jonathan Rees	Director General and Accounting Officer
Janice Shersby	Deputy Head and Policy Director
Chris Bull	Director of Corporate Services
Alison Rose	Deputy Director, Equalities and Strategy
Melanie Field	Deputy Director, Discrimination Law
Ann Keeling	Deputy Director, Gender Equality Policy
Zyg Kowalczyk	Deputy Director, EHRC Sponsorship (left April 2008)

Board of Management responsibilities

The Board of Management has approved the accounts for the year ended 31 March 2008 and has confirmed that they give a true and fair view of the state of the affairs of the Government Equalities Office and of the results for the year. In the preparation of the accounts, the Board of Management has selected suitable accounting policies and applied them consistently; made judgements and estimates that are reasonable and prudent; and has prepared the accounts on a going concern basis.

The Salary and Pension Entitlements of the most senior managers are set out in the Remuneration Report.

Remuneration Report

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management (i.e. Board members) of the department.

Salary

“Salary” includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

This presentation is based on payments made by the Department and thus recorded in these accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP and various allowances to which they are entitled are borne centrally.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

PART OF THE REMUNERATION REPORT TO BE AUDITED

Remuneration

Ministers

The Government Equalities Office reports to Minister for Women and Equality Rt Hon Harriet Harman, QC, MP and Barbara Follett MP the Parliamentary Under Secretary of State. Harriet Harman is Lord Privy Seal and as such her Ministerial salary and pension declaration is reflected in the accounts of the Cabinet Office.

Minister	2007–2008		2006–2007	
	Salary £	Benefit-in-Kind (to nearest £100)	Salary £	Benefit-in-Kind (to nearest £100)
Barbara Follett	5,047	0	0	0

2007-2008

Figure is for the period 1st February 2008 to 31 March 2008. The full year equivalent is £30,280.

Senior Management Team

GEO SMT	2007–2008		2006–2007	
	Salary £000	Benefit-in-Kind (to nearest £100)	Salary £000	Benefit-in-Kind (to nearest £100)
Jonathan Rees ¹	5–10	0	0	0
Janice Shersby ²	65–70	0	0	0
Chris Bull ³	40–45	0	0	0
Alison Rose ⁴	40–45	0	0	0
Melanie Field ⁵	45–50	0	0	0
Ann Keeling ⁶	10–15	0	0	0
Zyg Kowalczyk ⁷	50–55	0	0	0

2007-2008

- 1 Figure quoted is for the period 25th February 2008 to 31 March 2008. The full year equivalent is in the range of £115-120k
- 2 Figure quoted is for the period 26th July 2007 to 31 March 2008. The full year equivalent is in the range of £100-105k
- 3 Figure quoted is for the period 15th October 2007 to 31 March 2008. The full year equivalent is in the range of £90-95k
- 4 Figure quoted is for the period 26th July 2007 to 31 March 2008. The full year equivalent is in the range of £65-70k
- 5 Figure quoted is for the period 26th July 2007 to 31 March 2008. The full year equivalent is in the range of £70-75k
- 6 Figure quoted is for the period 4th February 2008 to 31 March 2008. The full year equivalent is in the range of £75-80k
- 7 Figure quoted is for the period 26th July 2008 to 31 March 2008. The full year equivalent is in the range of £70-75k

Pensions

Ministerial Pensions

Minister 2007–08	Real Increase in Pension at Age 60	Real Increase in Lump Sum at Age 60	Accrued Pension at Age 60 31/03/2008	Accrued Lump sum at Age 60 31/03/2008	CETV as at 31/03/2007	CETV as at 31/03/2008	Real Increase in CETV during the year
	£000	£000	£000	£000	£000	£000	£000
Barbara Follett	0–1	0	0–1	0	4	10	5

Pension benefits for Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF).

The scheme is statutory based (made under Statutory Instrument SI 1993 No 3253, as amended). Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF details of which are not included in this report).

The arrangements for Ministers provide benefits on an 'average salary' basis, taking account of all service as a Minister. The accrual rate has been 1/40th since 15 July 2002 (or 5 July 2001 for those that chose to backdate the change) but Ministers, in common with all other members of the PCPF, can opt for a 1/50th accrual rate and a lower rate of employee contribution.

As the House of Commons and House of Lords and not the Department meet the Exchequer contribution to the cost of pension provision for all Ministers, the pension details are included on a 'for information' basis only. Benefits for Ministers are payable at the same time as MPs' benefits become payable under the PCPF or, for those who are not MPs, on retirement from ministerial office from age 65. Pensions are increased annually in line with changes in the Retail Prices Index. Members pay contributions of 6% of their ministerial salary if they have opted for the 1/50th accrual rate. Those members who have opted for the 1/40th accrual rate are required to pay an increased contribution. The rate was increased from 9% to 10% from 1 April 2004. There is also an employer contribution paid by the Exchequer representing the balance of cost. This is currently 26.8% of the ministerial salary.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The

pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a Minister. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV

This is effectively the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister and are calculated using common market valuation factors for the start and end of the period.

Senior Management Team

Government Equalities Office SMT 2007–08	Real Increase in Pension at Age 60	Real Increase in Lump Sum at Age 60	Accrued Pension at Age 60 31/03/2008	Accrued Lump sum at Age 60 31/03/2008	CETV as at 31/03/2007	CETV as at 31/03/2008	Real Increase in CETV during the year
	£000	£000	£000	£000	£000	£000	£000
Jonathan Rees	0–2.5	0–2.5	55–60	0–5	997	1,023	4
Janice Shersby	0–2.5	0–2.5	25–30	75–80	315	422	11
Chris Bull	0–2.5	0–2.5	30–35	100–105	597	699	14
Alison Rose	0–2.5	0–2.5	20–25	60–65	278	361	0
Melanie Field	0–2.5	0–2.5	15–20	50–55	208	280	7
Ann Keeling	0–2.5	0–2.5	15–20	55–60	345	369	16
Zyg Kowalczyk	0–2.5	0–2.5	30–35	90–95	567	673	8

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a ‘final salary’ scheme (classic, premium or classic plus); or a ‘whole career’ scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality ‘money purchase’ stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable



earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements, they also include any additional pension benefit accrued to the member as a result of

their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Jonathan Rees
Director General and Accounting Officer
16 July 2008

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, the Government Equalities Office is required to prepare Resource Accounts for each financial year, in conformity with Treasury direction, detailing the resources acquired, held or disposed of during the year and the use of resources by the Government Equalities Office during the year.

The Resource Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Government Equalities Office, the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.

The Permanent Secretary at HM Treasury has appointed the permanent Head of The Government Equalities Office as Accounting Officer with the overall responsibility for preparing the Government Equalities Office's accounts and for transmitting them to the Comptroller and Auditor General. His responsibilities as Accounting Officer include responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Government Equalities Office assets and are set out in Managing Public Money published by HM Treasury.

In preparing the accounts, the Government Equalities Office is required to comply with the Financial Reporting Manual prepared by HM Treasury, and in particular to:

- observe the Accounts Direction issued by Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Government Equalities Office will continue in operation.

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of GEO's policies, aims and objectives whilst safeguarding the public funds for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

Ministers set the political direction of the Department and this is reflected in the GEO's Departmental Strategic Objective, in Public Service Agreements and in the Minister for Women's priorities. I advise and support Ministers and ensure that advice put to them enables them to make informed decisions, by including options and a clear indication of the operational and financial implications, including risks, of those options.

As Accounting Officer I am accountable to Parliament for all the expenditure, including grant in aid and the conditions attaching to it, given to the Equality and Human Rights Commission. Each year GEO and the Commission consult on budgets and on business and financial plans. I meet regularly with the Commission's Chief Executive and manage a sponsorship team in GEO which works closely with Commission's finance officials, ensuring that significant projects are properly assessed and approved and that the Commission has regard to value for money.

The purpose and system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of GEO's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been developed since the establishment of the GEO in July 2007 and accords with Treasury guidance.

Capacity to handle risk and the risk and control framework

The GEO assesses the viability and financial implications of all policy and operational options put to Ministers. All staff are aware of the need to do this.

Within GEO, a project board was set up to examine and report on the work strands necessary to set up the Office, using standard project management techniques including risk identification and mitigation.

The Senior Management Team has met each week since GEO's establishment in July 2007 and closely monitored financial and operational data. The SMT have twice met as a governance Board to review progress against Business Plans and budgets, and GEO has now recruited three non-executive members to the Board to provide further advice on strategic and financial issues. One of the



non-executive members will head up an Audit Committee with a specific remit to examine risk and further develop our risk management and corporate governance arrangements.

The GEO is reliant on shared services obtained from Communities and Local Government and the Department for Work and Pensions. In buying-in services the GEO also buys into the established risk management strategies employed by those departments. We are working with Communities and Local Government's Internal Audit Services to assess our current governance systems.

Review of effectiveness

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. This review will be informed by the work of the internal auditors, who are conducting a finance and governance assessment, and by the senior managers within the GEO who have responsibility for the development and maintenance of the internal control framework. It will also be informed by comments made by the National Audit Office in any management letter or other report. In due course further advice on the effectiveness of internal controls and governance will come from the GEO's Audit Committee, including a plan to address any weaknesses and ensure continuous improvement of the system is in place.

While we have some way to go to implement a full range of risk and internal control procedures there are no significant problems to report.

Jonathan Rees
Director General and Accounting Officer
16 July 2008

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of Government Equalities Office for the year ended 31 March 2008 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the Statement of Operating Costs by Departmental Aim and Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I report to you whether, in my opinion, the information which comprises the management commentary and the 'Managing our resources and other information of interest to the public' section of the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Department has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Department's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.



I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Ministerial Foreword, the Accounting Officer and Director General's Introduction, 'How we are organised', 'What we are aiming to achieve', 'Key events and achievements 2007/2008' and 'Performance Report on Gender PSA 2005-08', and the unaudited part of the Remuneration Report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of the Department's affairs as at 31 March 2008, and the net cash requirement, net resource outturn, net operating cost, operating costs applied to objectives, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and

- information which comprises the management commentary and the 'Managing our resources and other information of interest to the public' section of the Annual Report is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

T J Burr
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS

17 July 2008

Financial Statements

Statement of Parliamentary Supply

Summary of Resource Outturn 2007-08

£000	Request for Resource	Note	Estimate			Outturn			2007-08	2006-07
			Gross Expenditure	A in A	Net Total	Gross Expenditure	A in A	Net Total	Net Total outturn compared with Estimate: saving/ (excess)	Outturn Net Total
	1	3	109,583	(350)	109,233	84,057	(341)	83,716	25,517	57,815

The under spend relates to grant in aid not paid to the Department's Non Departmental Public Bodies – the Commission for Racial Equality, Equal Opportunities Commission, Disability Rights Commission and Commission for Equality and Human Rights. Extra grant funding was made available to cover potential liabilities associated with the formation of the Commission for Equality and Human Rights. Not all these liabilities have materialised and a number of the cash payments fall to the next financial year. All the Commissions spent close to their budget limits which are measured on an accruals basis.

Net Cash Requirement 2007-08

	Note	Estimate	Outturn	2007-08	2006-07
				Net Outturn compared with Estimate: outturn savings/(excess)	Outturn
			£000	£000	£000
Net cash requirement	5	109,233	83,666	25,567	57,815

Summary of income payable to the Consolidated Fund

	Note	Forecast 2007-08		2007-08 Outturn	
		Income	Receipts	Income	Receipts
		£000	£000	£000	£000
(In addition to appropriations in aid, the following income relates to the Department and is payable to the Consolidated Fund)		0	0	700	0
Total	6	0	0	700	0

The notes on pages 65 to 80 form part of these financial statements

Operating Cost Statement

for the year ended 31 March 2008

		2007-08		2006-07	
	Note	£'000	£'000	£'000	£'000
Administration Costs					
Staff costs	8	3,996		2,810	
Other administration costs	9	1,212		1,159	
Gross Administration Costs		5,208		3,969	
Operating Income		0		0	
Net Administration Costs			5,208		3,969
Programme Costs					
Request for Resource I					
Staff Costs	8	329		0	
Grant-in-aid payments	10	77,047		49,266	
Other programme costs	10	1,473		5,384	
Gross Programme Costs		78,849		54,650	
Income	11	(1,041)		(804)	
Net Programme Costs			77,808		53,846
Net Operating Costs	4 & 12		83,016		57,815

Statement of Recognised Gains and Losses

There were no recognised gains or losses for the year ended 31 March 2008 other than those reported in the Operating Cost Statement.

The notes on pages 65 to 80 form part of these financial statements.

Balance Sheet

As at 31 March 2008

	Note	31 March 2008		31 March 2007	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	13	0		0	
Intangible assets	14	0		0	
Investments	15	0		0	
			<u>0</u>		<u>0</u>
Current Assets					
Debtors: Amounts falling due within one year	16	700		1,961	
Cash at bank and in hand	17	88,000		29,254	
			88,700		31,215
Current Liabilities					
Creditors: Amounts falling due within one year	18	(88,700)		(31,215)	
Net Current Assets/(Liabilities)			<u>0</u>		<u>0</u>
Total Assets less Current Liabilities			<u>0</u>		<u>0</u>
Provisions for Liabilities and Charges	19	0		0	
			<u>0</u>		<u>0</u>
			<u>0</u>		<u>0</u>
Taxpayers' Equity					
General fund	20		0		0
Revaluation reserve	21		0		0
			<u>0</u>		<u>0</u>

The notes on pages 65 to 80 form part of these financial statements.

Jonathan Rees
Director General and Accounting Officer

16 July 2008

Cash Flow Statement

for the year ended 31 March 2008

		2007-08	2006-07
	Note	£'000	£'000
Net cash outflow from operating activities	22a	(29,254)	(57,815)
Capital expenditure and financial investment	22b		
Receipts due to the Consolidated Fund which are outside the scope of the Government Equalities Office's activities			
Payments of amounts due to the Consolidated Fund			
Net Financing from the Consolidated Fund	22c	88,000	29,254
Increase/(Decrease) in cash in the period		58,746	(28,561)

Consolidated Statement of Operating Costs by Department Aim and Objectives

for the year ended 31 March 2008

	2007-08			2006-07		
	£000			£000		
Main Objectives	Gross	Income	Net	Gross	Income	Net
Objective I	84,057	(1,041)	83,016	58,619	(804)	57,815

Objective I. To address the disadvantage that individuals experience because of the gender, race, disability, age, sexual orientation, religion or belief.

The notes on pages 65 to 80 form part of these financial statements.

Notes to the accounts

for the year ended 31 March 2008

I Statement of accounting policies

The financial statements have been prepared in accordance with the 2007-08 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK Generally Accepted Accounting Practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the Public Sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Government Equalities Office for the purpose of giving a true and fair view has been selected. The Government Equalities Office's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

I.1 Fixed Assets

I.1.1 The Government Equalities Office does not own any fixed or intangible assets. The capitalisation threshold is £5,000, except for land, for which there is no minimum.

I.1.2 The Office allows grouping of items as follows:

- Strategic IT equipment.

Where the Office replaces key components of grouped assets, the replacement is depreciated over the remaining useful life of the asset. Where regular maintenance is performed, this is expensed during the year.

I.2 Stocks

The Government Equalities Office holds stocks of stationery, free publications, computer spares and similar consumable materials. Due to the nature of these items the Government Equalities Office does not consider it appropriate to reflect their value in the Balance Sheet. Accordingly the Government Equalities Office has charged all expenditure on consumable items to the Operating Cost Statement.

I.3 Administration expenditure

Administration costs reflect the direct costs of running the Government Equalities Office as defined under the administration cost control regime, together with associated operating income.

I.4 Programme Expenditure and Grant in Aid

Programme Expenditure is defined in accordance with guidance from HM Treasury.

The Government Equalities Office programme expenditure includes grant in aid to its Non Departmental Public Bodies the Women's National Commission, the Commission for Equality and Human Rights and the legacy Commission for Racial Equality, Equal Opportunities Commission and the Disability Rights Commission.

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Where conditions, such as a specified milestone, attaching to a grant are waived then the amount is treated as having been incurred.

Further programme expenditure was incurred through research contracts in support of the Government Equalities Office's objective. These are accounted for on the basis of milestone payments.

1.5 Operating income

The Government Equalities Office does not have any administration operating income but does have operating income from the European Union. Income is recorded on an accruals basis at the transacted amounts, or the amounts at which customers are committed to pay.

1.6 Cost of Capital charge

A charge, reflecting the cost of capital utilised by the Government Equalities Office is included in Operating Costs. The charge is calculated at the rate set by HM Treasury (currently 3.5 percent) on the average carrying amount of all assets less liabilities, except for:

- a. intra departmental balances;
- b. cash balances within the Office of HM Paymaster General, where the charge is nil;
- c. assets and liabilities in respect of amounts due from, or to, the Consolidated Fund where the charge will be at a nil rate.

1.7 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is non-contributory (except for a contribution of either 1.5% or 3.5% of pensionable earnings for widows'/widowers' and dependants' benefits) and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. GEO meets the cost of pension cover provided for the staff employed by payment of charges calculated on an accruing basis. A separate scheme statement for the PCSPS as a whole is available from the Pensions Scheme Administrator. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation (www.civilservice-pensions.gov.uk).

1.8 Early departure costs

Until the Government Equalities Office has its own terms and conditions in place, all staff are working to their parent department arrangements. Staff will therefore take advantage of any parent department early departure schemes/opportunities.

The Government Equalities Office is at present undertaking a recruitment drive for permanent members of staff and do not envisage any early departures, when its own terms and conditions are implemented.

1.9 Provisions

The Government Equalities Office provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury discount rate of 2.2% in real terms.

1.10 Value Added Tax

The VAT accountability for the year 2007-08 will remain with Department for Communities and Local Government. The transactions reflected in the Resource Accounts are therefore stated net of VAT.

For the year 2008-09 onwards VAT will be accounted for by GEO. Most of the activities of the Office are outside the scope of VAT and, in general output tax will not apply. Input VAT is recovered on certain contracted out services. Irrecoverable VAT will be charged to the relevant expenditure category or, if appropriate, capitalised with additions of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts will be stated net of VAT.

2 Transfer of Functions and Restatements

The Transfer of Functions (Equality) Order 2007 came into force on the 12th October 2007 and established the Government Equalities Office as a stand alone Government Department. For accounting and Estimate purposes the GEO is considered to have started from the 1st April 2007 and these accounts include expenditure and income related to the constituent parts of GEO for the period 1st April 2007 to 12th October 2007. Responsibility for the Disability Rights Commission, Equal Opportunities Commission, Commission for Racial Equality and the Commission for Equality and Human Rights transferred to GEO and the associated grant in aid is reflected in these accounts.

3 Analysis of net resource outturn by section

Request for resources I

	2007-08						2006-07		
	Outturn						Estimate	Net Total outturn compared with Estimate	Prior Year
	Admin	Other Current	Grants	Resource Expenditure	A in A	Net Total	Net Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
a) Equalities	5,208	1,546				6,754	11,933	5,179	8,549
b) European funded initiatives		256			(341)	(85)	500	585	
c) Non-departmental public bodies (NDPBs)			77,047			77,047	96,800	19,753	49,266
	<u>5,208</u>	<u>1,802</u>	<u>77,047</u>	<u>0</u>	<u>(341)</u>	<u>83,716</u>	<u>109,233</u>	<u>25,517</u>	<u>57,815</u>

The under spend relates to grant in aid not paid to the Department's Non Departmental Public Bodies – the Commission for Racial Equality, Equal Opportunities Commission, Disability Rights Commission and Commission for Equality and Human Rights. Extra grant funding was made available to cover potential liabilities associated with the formation of the Commission for Equality and Human Rights. Not all these liabilities have materialised and a number of the cash payments fall to the next financial year. All the Commissions spent close to their budget limits.

4 Reconciliation of outturn to net operating cost and against Administration Budget

4a) Reconciliation of net resource outturn to net operating cost

		2007–08		2006–07	
	Note	Outturn	Supply estimate	£000 Outturn compared with estimate saving/ (excess)	£000 Outturn
Net Resource Outturn	3	83,716	109,233	25,517	57,815
Non-supply income (CFERs)	6	(700)		700	
Net operating cost		83,016	109,233	26,217	57,815

4b) Outturn against final Administration Budget

	2007–08		2006–07	
	Budget	Outturn	Outturn	Outturn
	£000	£000	£000	£000
Gross Administration Budget	6,128	5,208		3,457
Income allowable against Administration Budget				
Net Outturn against final Administration Budget	6,128	5,208		3,457

5 Reconciliation of resources to cash requirement

		2007–08		2006–07	
	Note	Estimate	Outturn	Outturn	Outturn
		£000	£000	£000	£000
Resource Outturn	3	109,233	83,716	25,517	
Non Cash Items	9		(50)	50	
Net Cash Requirement		109,233	83,666	25,567	

6 Analysis of income payable to the Consolidated Fund

	Note	Forecast 2007–08		Outturn 2007–08	
		Income	Receipts	Income	Receipts
		£000		£000	
Other operating income and receipts not classified as A in A		0	0	700	0
		0	0	700	0
Excess cash surrenderable to the Consolidated Fund	4			700	
Total income payable to the Consolidated fund		0	0	700	0

7 Reconciliation of income recorded within the Operating Cost Statement to operating income payable to the Consolidated Fund

	Note	2007–08	2006–07
		£000	£000
Operating Income	11	(1,041)	(804)
Income authorised to be appropriated-in-aid		(341)	(804)
Operating income payable to the Consolidated Fund	6	<u>(700)</u>	<u>0</u>

8 Staff Numbers and Related Costs

(a) Staff costs

The GEO inherited staff from Communities and Local Government, which had responsibility for equalities in 2006-7, DWP, Home Office and the former DTI. These staff currently work on loan to GEO, under the terms and conditions applying in their parent departments.

					2007-08	2006-07
	Staff with a permanent UK employment contract	Others	Ministers	Special Advisors	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries	3,149	304	6	59	3,518	2,402
Employer's National Insurance	249				249	123
Superannuation and Pension costs	558				558	285
VER & ER Lump Sum Payments	0				0	0
Total Net Costs	3,956	304	6	59	4,325	2,810

£329K of the above staff costs relate to programme spend. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, but the Government Equalities Office is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2007-08, normal employers' contributions of £558K were payable to the PCSPS (2006-07 £285K) at one of four rates in the range 17.1 to 25.5 per cent (2006-07: 17.1 to 25.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 1 April 2007, the salary bands have been revised but the rates have remained the same.

As in 2006-07 no one retired on ill-health grounds consequently no additional liabilities were incurred on the Civil Superannuation Vote.

(b) Average number of persons employed

The average number of whole-time equivalent persons employed during the year is shown in the table below.

Objective	Staff with a permanent UK employment contract	Others	Number		2007–08	2006–07
			Ministers	Special Advisors	Total	Total
1 Legislative Framework	18	3			21	19
2 Ministers for Women Priorities	17	2			19	18
3 Equality PSA and Strategy	10	2			12	11
4 Sponsorship of Commissions	4	1			5	4
5 Directorate and Corporate Services	9				9	6
6 Minister's Private Office	4		1	1	6	4
Total	62	8	1	1	72	62

Objective 1: To update the legislative framework with a new Equity Bill;

Objective 2: To deliver the Ministers for women priorities (supporting families, tackling violence against women and empowering black and minority ethnic women).

Objective 3: To take forward the cross-Government Equality Public Service Agreement for 2008/11

Objective 4: To sponsor the Equality and Human Rights Commission and the Women's National Commission.

Objective 5: To provide directorate and corporate services to enable the Government Equalities Office to develop policy and make law.

Objective 6: To ensure Ministerial direction and support.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (**classic**, **premium** or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable



earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

On death, pensions are payable to nominated beneficiaries at rates appropriate to members chosen schemes. (The following website provides further details: www.civilservice-pensions.gov.uk).

Medical retirement is possible in the event of serious ill-health. Pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widower pensions.

9 Other administration costs

		2007-08	2006-07
	Note	£'000	£'000
Goods and services	9a	753	1,159
Accommodation costs	9b	385	0
Fees (OGD)	9c	24	0
Non-cash items			
Auditor's remuneration and expenses	9d	50	0
		1,212	1,159

- Goods and services expenditure is mainly in respect of travel and subsistence, contracted out office services, staff training, management and professional fees, printing and stationery, telephone costs and general postage;
- Accommodation costs are made up of rent in respect of GEO office space in 2007-08 of £385k;
- Fees paid to Other Government Departments are in respect of Internal Audit from CLG and accounting services from DWP.
- Government Equalities Office audit fees are £50k for 2007-08

10 Programme Costs

	2007-08	2006-07
	£'000	£'000
Disability Rights Commission	10,500	20,916
Commission for Racial Equality	10,721	19,100
Equal Opportunities Commission	4,975	9,250
Commission for Equality and Human Rights	50,851	224
Programme Costs Goods and Services	1,473	5,160
Total near cash	78,520	54,650
Non Cash items	0	0
Total Net Programme Costs	78,520	54,650

11 Operating income

Programme income

	2007–08	2006–07
	£'000	£'000
Income		(804)
Income not Appropriated in Aid (CFER)	(700)	
European Year of Opportunity	(341)	0
Total Programme Income	(1,041)	(804)

The “European Year of Opportunity for All” income of £341k is EU funded.

12 Analysis of net operating cost by spending body

		2007–08	2006–07
		£'000	£'000
Spending Body	Estimate	Outturn	Outturn
Government Equalities Office	12,433	5,969	8,325
Non-departmental public bodies			
Disability Rights Commission	11,000	10,500	20,916
Commission for Racial Equality	10,800	10,721	19,100
Equal Opportunities Commission	5,000	4,975	9,250
Commission for Equality and Human Rights	70,000	50,851	224
Net Operating Costs	109,233	83,016	57,815

13 Tangible fixed assets

The Government Equalities Office does not have any Fixed Assets.

14 Intangible fixed assets

The Government Equalities Office does not have any Intangible Assets.

15 Investments

The Government Equalities Office does not have any Investments.

16 Debtors

a) Analysis by type

	31 March 2008	31 March 2007
	£'000	£'000
Amounts falling due within one year:		
Debtor for CFER	700	0
VAT	0	(1)
Other debtors	0	5
Prepayments and accrued income	0	1,957
	700	1,961

b) Intra-Government Balance

The following table analyses total debtor balances across the categories shown:

Amounts falling due within one year	2007-08	2006-07
	£'000	£'000
Balances with other central government bodies	700	(1)
Balances with bodies external to government	0	1,962
Total debtors at 31 March	700	1,961

17 Cash at bank and in hand

	2007-08	2006-07
	£'000	£'000
Balance at 1 April	29,254	57,815
Net change in cash balances	58,746	(28,561)
Balance at 31 March	88,000	29,254

The balance is held with The Office of HM Paymaster General (OPG) which provides a current account banking service.

18 Creditors

a) Analysis by type

	31 March 2008	31 March 2007
	£'000	£'000
Amounts falling due within one year:		
CFERs Receivable	(700)	0
Trade creditors	(116)	(27)
Accruals and deferred income – non capital	(83,550)	(31,188)
Amount due to the Consolidated Fund in respect of supply	(4,334)	0
	(88,700)	(31,215)

b) Intra-Government Balance

The following table analyses total creditor balances across the categories shown:

Amounts falling due within one year	2007–08	2006–07
	£'000	£'000
Balances with other central government bodies	(88,068)	(31,215)
Balances with bodies external to government	(632)	0
Total debtors at 31 March	(88,700)	(31,215)

19 Provision for liabilities and charges

The Government Equalities Office does not have any provisions.

20 General Fund

		2007-08	2006-07
	Note	£'000	£'000
Balance as at 1 April		0	28,561
Prior Period Adjustments		0	0
		0	28,561
Net Parliamentary Funding:			
Drawn Down	22c	88,000	29,254
Year End Adjustment			
Supply (Creditor)/Debtor-Current Year		(4,334)	
Net Transfer from Operating Activities			
Net Operating Costs	4	(83,016)	(57,815)
CFERs payable to Consolidated Fund	7	(700)	
Non Cash Charges			
Auditor's Remuneration		50,000	0
Cost of Capital			0
Net movement in General Fund		0	(28,561)
General Fund as at 31 March		0	0

21 Reserves

The Government Equalities Office does not have any specific reserves.

22 Notes to the Consolidated Cash Flow Statement

		2007–08	2006–07
	Note	£'000	£'000
(a) Reconciliation of operating cost to operating cash flows			
Net operating cost	12	(83,016)	(57,815)
Adjustment for non-cash transactions	9	50	0
(Increase)/Decrease in Debtors		1,261	0
Increase/(Decrease) in Creditors		57,485	0
Less Movement in Creditors relating to items not passing through the OCS		(5,034)	0
Net cash outflow from operating activities		(29,254)	(57,815)
(b) Analysis of financing			
The Government Equalities Office does not have any Capital Expenditure			
(c) Analysis of financing			
Cash from the Consolidated Fund (supply) – current year	20	88,000	29,254
Net Financing		88,000	29,254

23 Capital commitments

There are no capital commitments at 31st March 2008

24 Commitments under leases

Operating Leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	2007–08	2006–07
	£'000	£'000
Obligations under operating leases comprise:		
Land and buildings		
Expiry within one year	385	0
	385	0

25 Other financial commitments

Communities and Local Government

Communities and Local Government will provide a range of corporate services to the Government Equalities Office including accommodation and payment processing over the next year at a price to be negotiated.

26 Financial Instruments

The Government Equalities Office does not have any Financial Instruments.

27 Contingent Liabilities

The Government Equalities Office does not have any Contingent Liabilities.

28 Losses and Special Payments

The Government Equalities Office did not have any Losses or make any Special Payments.

29 Related Party Transactions

The Government Equalities Office sponsors two commissions, the Equality and Human Rights Commission and the Women's National Commission. The Government Equalities Office provided grant in aid of around £77 million to the Equality and Human Rights Commission and its antecedent bodies in 2007-2008 and met the £300k costs of the Women's National Commission.

During the year the Government Equalities Office had significant transactions with Other Government Departments including CLG, DWP and TSoI. No Minister, Board Member or Key officer has transactions with the Government Equalities Office.

30 Post Balance Sheet Events

These accounts were authorised for issue on 17 July 2008.

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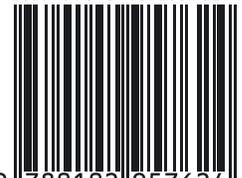
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