

Meeting:	Grants Advisory Panel
Date:	20 <sup>th</sup> November 2008
Subject:	Update on Harrow Council for Racial Equality
Key Decision: (Executive-side only)	No
Responsible Officer:	Javed Khan – Director of Community and Cultural Services
Portfolio Holder:	Chris Mote – Community and Cultural Services
Exempt:	No
Enclosures:	Appendix 1: Harrow Council for Racial Equality Independent Investigation Report

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report provides an update on the independent investigation of Harrow Council for Racial Equality (HCRE).

### **RECOMMENDATIONS:**

Members are recommended to:

1. To note the report and recommendations of the independent investigation of HCRE.
2. To recommend to the Portfolio Holder that the remaining grant of £49,942.74 is released to Harrow Association of Voluntary Service (HAVS) to provide interim management support of HCRE staff and resources pending the development of a new equalities organisation in the event that HCRE votes to dissolve.

### **REASON:**

To provide the Grants Advisory Panel with an update on the current situation regarding HCRE and the recommended way forward for the organisation.

## SECTION 2 - REPORT

### 2.1 **Brief Background**

- 2.1.1 Harrow Council for Racial Equality (HCRE) was formed in 1973 (formerly known as Harrow Community Relations Council). Since its inception Harrow Council has been one of the organisation's main funders along with the Commission for Racial Equality.
- 2.1.2 The stated aims of the organisation are "The elimination of racial discrimination, the promotion of equality of opportunity and good relations between persons of different racial groups."
- 2.1.3 In August 2007 the Executive Committee suspended the Director, Prem Pawar pending investigation into allegations of bullying, falsifying financial records and failure to implement contractual grant requirements.
- 2.1.4 HCRE failed to inform the Council of the actions it had taken regarding the suspension of the Director and its subsequent investigation in to the allegations, thereby breaching the terms and conditions of the Service Level Agreement (SLA).
- 2.1.5 Officers met with Trustees in January 2008 to request information relating to the suspension of the Director and discuss the potential impact of this on the organisations ability to continue delivering against the current SLA.
- 2.1.6 Following a number of meetings with HCRE trustees and requests for information, officers alerted senior management of their concerns regarding HCRE's potential breaches of SLA terms and conditions and the organisation's ability to meet current SLA

requirements. A report was presented to the Council's Corporate Strategic Board on 4<sup>th</sup> June 2008. The Board in conjunction with the Portfolio Holder for Community and Cultural Services and the Leader of the Council agreed to commission an independent investigation into Harrow Council for Racial Equality.

2.1.7 Dr Khurshid Ahmed CBE was requested to undertake the independent investigation, which commenced on the 17<sup>th</sup> June 2008. The scope of the investigation included; staffing and employment practices, financial management, breaches of service level agreement and overall organisational effectiveness.

## **2.2 Current Situation**

2.2.1 Dr Ahmed concluded his investigation in September 2008 (final report attached as Appendix 1). The report concluded that Harrow Council was wholly justified in taking the action to suspend the 2008-09 community grant to HCRE and commission an independent investigation in to its affairs.

## **2.3 Report recommendations**

2.3.1 The report concluded that there are significant weaknesses in the current structure and management of the organisation and continued funding to preserve the 'status quo' is not an option. The report makes the following recommendations on the way forward:

(1) HCRE should be invited to agree to dissolve the current organisation.

(2) The Council to facilitate the establishment of a 'Transition Board'. The Board to have a (limited) representation of elected Members alongside a similar number of current HCRE Trustees, with the option to co-opt appropriate additional members if required.

(3) Current HCRE resources, reserves and staff to transfer to the Council on an interim basis, to be overseen by the Transition Board.

(4) The Board to explore future options in detail and oversee the establishment of a new independent organisation within 6 months, making best use of internal/external support as necessary.

2.3.2 The recommendations have been discussed with representatives of HCRE and Harrow Association of Voluntary Service (HAVS), who are currently providing some part-time interim management support. Following consideration of the views put forward, both parties have agreed that HCRE resources, reserves and staff should transfer to the interim management and control of HAVS on full dissolution of HCRE. This option would ensure that existing staff and resources are properly managed and accounted for until a new organisation is established.

2.3.3 HCRE held an Executive Committee meeting on Thursday 23<sup>rd</sup> October and agreed to recommend to their full council meeting on the 27<sup>th</sup> November full dissolution of the organisation.

2.3.4 The setting up of a steering group enables the Council and partners to consider the best way forward to establish a new equalities body for Harrow that is in line with national developments in this area. This option would facilitate the development of an independent equalities body.

## **2.4 Why a change is needed**

- 2.4.1 The report highlighted a number of weaknesses in the current structure and management of HCRE that casts doubt on the organisation's ability to continue operating effectively and meet its obligations under the current SLA.
- 2.4.2 Despite the difficulties faced by the organisation there is a strong case and strong local demand for an 'inclusive' race and equalities body in Harrow to help strengthen the Borough's identity as a strong, diverse and integrated community.
- 2.4.3 The interim management arrangements agreed with HAVS and the formation of a transition board supported by the Council would facilitate the emergence of such a body.

## **2.5 Resources, costs and risks**

- 2.5.1 There are no additional costs associated with these recommendations. HAVS have provided assurance that they have the capacity to manage these resources, except for any exceptional, historical debt.
- 2.5.2 There is a potential risk that HCRE's full council meeting do not agree to dissolve the organisation at their meeting on the 27<sup>th</sup> November 2008. If this is the case the grant to the organisation would remain suspended until further negotiations are agreed on the way forward.

## **2.6 Staffing/Workforce**

- 2.6.1 There are no staffing or workforce implications for the Council, however if the grant remains suspended there will be implications for the continued employment of HCRE staff.

## **2.7 Equalities Impact Consideration**

- 2.7.1 The report highlighted national developments in the field of equality and human rights and the need for a local organisation that could respond more effectively to the new agenda and emerging needs, especially in relation to the formation of the Equalities and Human Rights Commission.

## 2.8 Legal Comments

2.8.1 There are legal implications for both HCRE and HAVS in moving forward with the new arrangements and both organisations have been advised to seek independent legal advice including on issues related to staff and legal obligations under the relevant TUPE regulations.

## 2.9 Performance Issues

2.9.1 The development of a new local equalities body that takes account of current developments in this field will help improve the council's performance on equalities issues.

## SECTION 3 - STATUTORY OFFICER CLEARANCE

<b>Name:</b> Sheela Thakrar	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
<b>Date:</b> 7 <sup>th</sup> November 2008		
<b>Name:</b> Hugh Peart	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
<b>Date:</b> 10 <sup>th</sup> November 2008		

## SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

**Contact:** Javed Khan, Director of Community and Cultural Services (ext. 2365)  
Kashmir Takhar, Deputy Head of Service, Community Development (ext. 5332);

**Background Papers:** Appendix 1: HCRE independent investigation final report

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	YES – the investigation included interviews with a range of stakeholders including HCRE trustees and staff, Councillors, GAP panel members, Council officers and community members.
2.	Corporate Priorities	YES