

Equality Impact Report Budget

Title of proposal	Budget 20189/20
Date of implementation	1 April 2019 – 31 March 2020
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1. Decide whether this report is needed and, if so, describe how you have assessed the impact of the proposal.

The budget and the service plans and commitments which it is designed to deliver make up the most significant strategic decision of the County Council. In setting the budget the County Council must be aware of and consider a range of statutory and other legal responsibilities which must inform the decision and the Council must explain how that process of consideration is undertaken. The public sector equality duty is an important element of this process of delivering a rational and lawful budget.

The discharge of the public sector equality duty –the duty to have regard to the impact of proposals on persons and groups with protected characteristics – is achieved through a number of measures, most particularly the application of detailed consideration of such impact in relation to the planning and implementation of service changes, especially where those changes mean reductions in current service levels or reductions in the funds available to deliver them. That impact is best understood and assessed using detailed service and customer information held or secured by those leading the planning and implementation of service change. The information is then used to support the decisions which give effect to service plans. The budget decision is taken on the basis that this arrangement for discharging the public sector equality duty is in place.

Where statutory or some other customer or public consultation is required to help the impact assessment work, this will be included as part of change planning and implementation. Where specific service user data is required to better understand the potential impact on those with protected characteristics this is secured. Different levels of assessment or different forms of data gathering will be used dependent upon the needs of the particular service plan under consideration. The overall budget proposal explains how these different approaches apply in relation to the body of service plans.

The County Council published a list of major (strategic) saving in the Autumn of 2018. These are savings plans where a Cabinet Member decision is required. Where identified as required to support the decision being proposed a clear process was followed of consultation to inform the decision, to include the range of legal responsibilities to be met. All of the proposals were available for pre-scrutiny by the relevant Select Committee, including consideration of the information from relevant consultations and impact assessment. The Performance and Finance Select Committee in November 2018 considered the plans for the consideration of all savings proposals.

The Medium Term Financial Strategy report provided to the Performance and Finance Select Committee in October (updated in November) set out the considerable financial challenges the County Council faces in 2019/20 and for the following three years. The authority now has a **£nil** allocation from the Government in terms of its Revenue Support Grant, a situation that means that further significant reductions must be considered to achieve a balanced budget. Impact assessment is undertaken in that context.

However, the scale of the savings for 2019/20 at £24m also needs to be seen in the context of an overall budget of around £575m per the draft budget and future investment to meet service demand and other pressures which is estimated to increase the net budget by around £48m by 2022/23 compared to the current year, despite assumed continued reductions in funding support provided by the Government.

The savings measures included in the budget papers to balance the budget contain a further reference to how the equality impact work will be addressed as part of each proposed saving.

The background to the budget for 2019/20 is continued reductions in our funding from Government and a further rise in demand pressures for essential services on which many of our more vulnerable residents rely. Given the legal duty to ensure the budget is realistic and balanced, a programme of planned and well considered savings is essential to ensure this is done with the minimum adverse impact for residents.

The context is a further reduction in our funding from Government which exceeds the national average reduction for 2018/19:

Table: Settlement Funding Assessment

FUNDING ITEM	2018/19 £m	2019/20 £m	Change £m	Change %
West Sussex: Settlement Funding Assessment	88.4	78.0	-10.4	-11.7
England: Settlement Funding Assessment	16,943.1	15,958.2	-984.9	-5.8

The average reduction is 5.8 % nationally in 2019/20, but is 11.7% for the County Council's core funding (the Settlement Funding Assessment). 2019/20's budget will be the tenth year the County Council has had to address reduced resources from Government. This has occurred at the same time significant pressure has been apparent from a rising demand for council services. For example, West Sussex has a high and increasing proportion over 65 year olds within the County. Our proportion of over 65 year olds is 22.6%, compared with the national average of 18% of the population.

The emphasis within the budget planning continues to be on delivering efficiency measures, cost reductions and income generation with a view to protecting front line services and council priorities to the maximum extent possible. The over-arching aim has been to avoid arbitrary or across the board budget reductions, as these would be more difficult to assess in terms of impact on the broad range of responsibilities, including the public sector equality duty. Instead the focus is on very specific measures in order to both understand impact and address any adverse impact for services or support. In all cases, unless stated otherwise, the service will prepare an impact assessment to inform the eventual decision based on the Council's standard approach to the approach to its public sector equality duty so that the decision making has full regard to such assessment.

2. Describe any negative impact for customers or residents.

Service reductions and funding constraints, combined with service demand pressures will present risks of negative customer impact. Efforts have been made when compiling the two year savings programme to minimise the impact on residents generally and on those with a protected characteristic. For example:

Introducing measures to manage the pressure arising from ever higher demand for services. A key example would be £2.0m of additional demand is planned to be offset from demand management reduction initiatives linked to the Adult Social Care Improvement Plan. These will be supported by an increase in investment in technology, carers and falls prevention with the objective of promoting independence and thus reducing the need for expenditure on other areas of social care.

Of the total savings planned for 2019/20 a significant number arise from measures that are deemed to be efficiencies from the following broad categories:

- Contractual (£1.6m)
 - Savings arising from procurement work, collaboration with procurement or improved contractual terms
- Fees, charges and other income streams (£1.3m)
 - Opportunities to increase income via increased charges, cost recovery or new avenues such as sponsorship or commercial income from property
- Operational Changes (£10.8m)
 - Optimising all opportunities within current arrangements to deliver better value for money, such as by changing processes.
- Restructure (£1.6m)
 - Staffing restructure, removing vacant posts or other redesign of the service, including voluntary severance.

The above areas would be expected to have no or only a minimal impact on any group with a protected characteristic.

Strategic decisions, where the relevant Cabinet Member has made a decision in a key area amount to around £8.7m. Every effort has been made to indicate the nature of these decisions at an early point in planning for 2019/20, to provide for consultation and maximise consideration of measures to mitigate any adverse effects of the proposals.

Efforts have been made to continue to provide residents with a core service, even in areas where a reduction to a discretionary activity has needed to be considered. Work will be done on equalities impacts and how to mitigate any potentially harmful effects within the individual case for decisions to be taken and their implementation.

A number of the strategic decisions on savings which have been highlighted by the authority within its forward plan and member decision process will have a potentially adverse impact on some groups. This includes decisions around Supported Housing (budget reduction of £1.7m in 2019/20) and the Local Assistance Network (budget reduction of £0.6m in 2019/20). However, the County Council proposes to mitigate the impact by adopting a phased approach, working with its partners in the district and borough councils, service providers and the voluntary and community sector, to reconfigure existing service contracts. The County Council will explore alternative funding streams and develop other ways of supporting people who rely on these services with the supporting aim to minimise the potential risk of increased pressure in other areas.

3. Describe any positive effects which may offset any negative impact.

The report highlights significant continued or new investment in services to support the West Sussex Plan and which should have a positive impact for residents including those with a protected characteristic.

For example, Within the revenue budget for 2019/20, to support the **Best Start in Life** and **Independence for Later Life** aims, additional funding is proposed for both younger and older residents across the county. The net investment for Children and Young People is

£4.2m (4.8%) whilst for Adults and Health the net investment of £11.8m (6.1%) provides additional funding to meet the forecast demands on these services. These represent the net sums, whilst the total new gross investment for Children and Young People is £8.7m, whilst for Adults and Health the extra investment of £8.5m which provides additional funding to meet the existing and ongoing demands placed upon these services.

The authority will have raised the Adults Social Care Levy to the maximum permissible over three years. The 2% levy proposed in the draft budget takes the charge over the three years 2016/17, 2017/18 and 2018/19 to the maximum 6% allowed by Government. The sum generated from this levy has been fully invested in support of Adults Social Care, helping to meet the rising cost pressures and customer numbers, as shown within the budget report for each of the three years the Levy has been used.

Some of the additional costs within Children's services are being incurred due to the temporary close of Cissbury lodge, whilst building work is undertaken to ensure the property is fit for purpose in future as a residential premise for children with disabilities.

Longer term, the County Council is working on service transformation plans to address the issue of reduced Government funding whilst protecting services as far as possible.

Transformation work will be the key to ensuring a future sustainable budget and the foundations of that work have been established. From one-off investment initially estimated at £13m, annual (recurring) savings of a minimum £17m are targeted by 2022. At this early stage in delivery, £1.5m of this target is provided for in next year, following mobilisation late in the current financial year. The work on Whole Council Design (WCD) will focus on savings largely achieved through improved efficiency and effectiveness, reducing the Council's staffing requirement. Natural wastage (turnover), appropriate redeployment and proactive vacancy management will be used in this regard, with a view to minimising disruption to front line services.

The County Council is also seeking to enhance income streams, such as the returns via business rates, where the County Council and Districts/Boroughs benefit from additional revenues arising from economic growth under the business rate retention system. We have very positive assumptions about the growth in revenue from this source of funding. This assumption, couple with a council tax rise of 2.99% for core services and 2% for the Adults Social Care Levy means that other funding streams are being used to offset the continuing reduction in our core financial support from Government. The County Council's total increase in council tax is 4.99%, and has been set at a rate just below the level where a referendum would be required. This increase generates an additional £21.9m, which helps protect services and mitigates the financial impact of reduction on our core funding from Government.

West Sussex CC also submitted a pilot bid, in collaboration with the West Sussex Districts and Boroughs, to be a 75% business rate area for 2019/20. This does not directly benefit the County Council in the short term, as the estimated additional funds from a successful bid are earmarked for shared use with the Districts and Boroughs. However, the additional investment on project work which invests in the economy and makes West Sussex a more attractive location to do business will help build an economic base that will be of benefit to all residents.

As well as the revenue budget, the County Council will be asked to agree an updated capital programme for 2019 to 2024. The capital programme sets out how the County Council proposes to invest in the delivery of the Council's vision for the county and its commitment to the communities of West Sussex. This includes the provision of modern, maintained and fit for purpose educational facilities. The capital programme ensures that the correct numbers of school places are provided in the correct locations. The Council may also invest in residential facilities for children where there is a strong business case to do so. We will also plan a wide programme of schools capital maintenance works across the West Sussex schools estate to ensure that schools remain structurally safe and secure and provide an environment where children are able to thrive.

The Council is committed to ensuring continued economic growth and prosperity, working with our partners to understand the needs of businesses and provide the infrastructure and skills for them to succeed and grow in West Sussex. The capital programme proposes a package of works designed to stimulate economic growth, directly providing or contributing to the creation of over 10,000 jobs, delivering nearly 600,000 square metres of commercial floorspace in key locations and unlocking the potential for over 15,000 new homes. These investments provide a basis for a stronger financial position from which to develop plans for services.

4. Describe whether and how the proposal helps to eliminate discrimination, harassment and victimisation.

One of the key aims of developing specific savings proposals, rather than simply assume across the board budget savings, is that savings which balance the budget can be planned for on the basis of protecting front-line services and delivery of West Sussex plan priorities as far as possible.

In preparing the savings outlined, it is believed that no individual group whether it be by age, sex, race, disability, gender reassignment (including transgender), sexual orientation, religion or belief or any other identifiable group will suffer from discrimination, harassment or victimisation as a direct consequence. The focus on elimination will be addressed in service plan and implementation.

5. Describe whether and how the proposal helps to advance equality of opportunity between people who share a protected characteristic and those who do not.

The savings identified by services will be expected to maintain equality of opportunity between people who share a protected characteristic and those who do not. This is part of the work that will take place ahead of the individual equality impact work on each saving area.

6. Describe whether and how the proposal helps to foster good relations between persons who share a protected characteristic and those who do not.

The savings identified by services will be expected, where possible, to foster good relations between persons who share a protected characteristic and those who do not. This is part of the work that will take place ahead of the individual equality impact work on each service area.

7. What changes were made to the proposal as a result? If none, explain why.

Strategic savings decisions were published in the Autumn (in the forward plan) and have had a consultation phase were appropriate as well as being previewed at the relevant Select Committee. Changes to proposals will have been addressed in the evaluation of consultation and representations and recorded in specific decision reports of identified for clarification in service plan implementation. One example is the decision to change the implementation timeline for changes to the Supported Housing contract arrangements.

8. Explain how the impact will be monitored to make sure it continues to meet the equality duty owed to customers and say who will be responsible for this.

Through equality impact work at individual service level and also business planning and performance framework planning processes. Hence each Directorate will be responsible for monitoring the impact on revenue measures.

To be signed by a Director or Head of Service to confirm that they have read and approved the content.

Name



Date

9th January 2019

Your position

Director of Finance, Performance and Procurement

DRAFT