

**Isle of Wight Council
EQUALITY POLICIES**



Equality Impact Assessment Form

**Medium Term Financial Strategy and
Budget Strategy 2011/12 to 2014/15**

EqIA Reference No:

Equality Impact Assessment Form

Part I: Initial Screening

1. Persons responsible for this assessment:

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Directorate: Resources	Date of Assessment: 27 th January 2011

2. Name of the policy, service, **strategy**, procedure or project:

Medium Term Financial Strategy (MTFS) 2011/12 – 2014/15

3. Is this a new or existing policy:

The Council has had a MTFS in place for a number of years, however this version represents a further refresh of the strategy, putting it into the strategic context for both the Sustainable Community Strategy and Corporate Plan and showing how Strategic Financial Planning is interlinked with the overall strategic context. The updated MTFS also demonstrates its links with Key Programmes of Change for the Council, Key Strategies and Plans to achieve value for money, Key Resources and Financial Procedures and Controls, and Monitoring and Review processes. This version includes the measures necessary to respond to the results of the Coalition Government’s Comprehensive Spending Review, in particular the reduced resources available to the Council from the provisional grant settlement on 13 December 2010.

Briefly describe its aims and objectives

<p>Overview:</p> <p>The Medium Term Financial Strategy (MTFS) sets out how the Council will resource the key projects, changes and improvements that flow from the Council’s Corporate Plan as agreed at Council on 25th November 2009.</p> <p>The Medium Term Financial Plan (MTFP) sets out the projected resources from Revenue Support Grant, assumed levels of council tax, fees and charges and projected costs of delivering existing services. It also sets out the additional investment required in key priority areas over and above existing budget provision.</p> <p>The Revenue and Capital Budget and Council Tax level for 2011/12 set out the specific figures and recommendations for the first year of the four year strategy</p>

4. Who is intended to benefit from it and in what way?

Isle of Wight Community:

The development of the Island's Sustainable Community Strategy, expressed through the Eco Island vision, delivered in tandem with the Corporate Plan and the Council's Transformation and Strategic Improvement programmes, provides an opportunity to make a real difference in future for residents and visitors alike. The philosophy of equality and diversity on the Island should be led by the Council, but it is equally important to ensure that the Council's key partners are also committed to the principles of equality and diversity, and that the principles are promoted across the Island as a whole, with a view to ensuring that we are delivering accessible locations and facilities for as many people and groups as possible.

5. What outcomes are expected?

Delivery of cost effective and value for money services that meet statutory requirements and the needs of the diverse Island Community, within the context of the restricted resources available following the Comprehensive Spending Review and managed Council Tax increases across the four year period of the strategy.

6. Have you consulted on this policy, service, strategy, procedure or project?

Resident's, Staff and Budget Consultation

In order to ensure that the views of as many people and diverse groups as possible have been taken into account in developing the Vision and Values of the Island and the Council, a number of surveys and consultation exercises have been commissioned during the course of the year. These have included a residents' panel, regular meetings with key partner organisations through the Island Strategic Partnership, and Time 2 Talk sessions with staff.

Specifically for budget consultation, an exercise was undertaken during the period from November 2010 to January 2011 aimed at identifying budget priorities for the forthcoming year and the period of the Medium Term Financial Strategy.

For the 2011/12 budget a combination of measures have been used:-

- An on-line budget simulator model was available from 10 December to 7 January to gain more detailed feedback on service priorities for residents given the reduced resources available to the Council
- A universal workshop was held on 18 November with a range of stakeholder groups to obtain feedback on the range of options proposed by the Council

The results of each of these measures have been analysed and fed into the budget process to influence decisions on resource allocation. It should be noted that the two methods of consultation used are very different in nature, and the results analysed separately. The results of each exercise have been considered at Cabinet/Director budget meetings and a summary will be included as a separate appendix to the budget report which will be considered at the Cabinet meeting on 8th February 2011.

In addition, a report to Cabinet on 7th December 2010 on the initial medium term financial strategy and budget strategy 2011/12-2014/15 identified the financial

APPENDIX 6

challenges facing the Council in the forthcoming financial year, largely as a result of the front-loading of the reductions in grants from central government following the Comprehensive Spending Review. A presentation on the overall budget strategy went to the Overview and Scrutiny Committee at its meeting on 16th December 2010. This was followed by more detailed consideration of the impact of the budget report to Cabinet at Scrutiny Panels and the Overview and Scrutiny Committee in the week commencing 31st January 2011.

APPENDIX 6

7. What evidence has been used for this assessment?

Medium Term Financial Strategy

In developing the revenue and capital budget for 2011/12, and the MTFs until 2014/15, there is a need to direct and redirect resources over the four year period to meet the Council's vision and strategic objectives and priorities within them, whilst balancing the budget gap. On this occasion, in particular, there is a need to respond to the results of the Coalition Government's Comprehensive Spending Review. The CSR has resulted in significantly reduced resources from government available to the Council over the next four years. However, the financial challenge facing the Council is increased as a result of the front-loading of the grant reductions from government, with 50% of the total amount in year 1 and another 25% in year 2. In developing the budget, there were a number of diverse elements to consider:

- The Council's vision and strategic objectives and the need to direct resources to the 7 key priorities of the Council as agreed in the Corporate Plan at the Council meeting on 25th November 2009.
- The results of the budget consultation exercise and residents and staff surveys
- The medium term financial plan, setting out the costs and resources for existing services over the next three years. This reflects known budget pressures and future impacts of inflation, service pressures and grant settlements
- The additional investment required in key service areas over and above existing budget provision
- The medium term revenue and capital strategies that will enable the Council to redirect resources over time to deliver its strategic objectives and priorities for improvement
- The overall deliverability of the strategy, including the maintenance of a sustainable level of reserves and balances and being able to meet legal and financial constraints in order to agree a legally and financially sound budget and Council Tax level
- The requirement to set a balanced budget, and in so doing, ensure that it meets its statutory duties in relation to provision of services and any changes introduced
- The impact of the reduced resources available from central government on Council services in the short term and likely impact in the medium to long term

8. Could a particular group be affected differently in either a negative or positive way?

	Negative	Positive	Evidence
Age		√	All council services are delivered to meet the needs of the diverse local community. We are able to provide information in alternative formats on request. There are specific investment and service proposals that will impact on older people, young people and vulnerable adults differently. For example the National Government Concessionary

APPENDIX 6

			<p>Fares scheme is a statutory scheme and is applicable to over 60's only. The Council will continue to invest in the provision of services to rural communities and plans to increase investment in the local economy.</p> <p>The Isle of Wight has a relatively large proportion of elderly residents and the adult social care budget is being increased to respond to that demographic impact. The Council is also investing in schools reorganization and children's social care which has an impact on that demographic group.</p>
Disability		√	As above
Gender reassignment		√	As above
Marriage/civil partnership		√	As above
Pregnancy and maternity		√	As above
Race including Gypsy & Traveller		√	As above
Religion or Belief		√	As above
Sex and Sexual Orientation		√	As above
Other groups (see Guidance notes)		√	As above
Geographical location (rural communities)		√	As above

9. Additional information

Equalities Impact Assessment

Around 70% of the Council's gross revenue cost is met from Government grant and with council tax increases being the subject of capping the Council's ability to increase resources is severely constrained and largely outside of its control.

Business rates are set by Government and redistributed to Councils within the overall Revenue Support Grant (Formula Grant) settlement.

As part of the budget strategy the impact of having a council tax increase of 2.5% has been considered against the level of savings and reductions in service that would result. A 1% change in council tax level equals some £715,000.

Within the Formula Grant funding, £650m has been top-sliced to enable a council tax freeze to be funded in 2011/12 only. If a Council sets its council tax at the same level as 2010/11, they will receive a grant equivalent to a 2.5% increase. The grant for the Isle of Wight will be £1.788m. However if a Council sets a council tax increase above

APPENDIX 6

0.0% it will lose the benefit of the grant. In our case, a 0.0% increase in tax will increase income by £1.788m (from grant); a 5.0% increase in council tax would achieve another £1.788m, but the full impact of the £3.576m increased income would fall on local residents.

The Government have announced that they will be setting capping levels for 2011/12, with the likelihood that any increase above 2.5% will be subject to scrutiny; any proposal to reduce council tax i.e. set a tax level below last year, will still mean the council tax freeze grant is received, but will add to the level of service reductions that would be required.

The detailed proposals for budget changes both in investment terms and savings terms reflect the priorities within the Corporate Plan, the results of the Residents Survey and Budget Consultation exercise. Due regard has also been given to statutory duties.

Investment Programme	Impact
<p>Corporate Plan Priorities:</p> <ul style="list-style-type: none"> • Roads PFI Scheme • Raising educational standards • Waste strategy • Housing and Homelessness • Regeneration and the economy • Improving our support to the most vulnerable in our community • Delivery of budget savings through changed service provision 	<p>High priority with residents Universal benefits for residents and visitors</p> <p>High priority to improve standards. Benefits young people but also parents and the community as a whole. Universally applied.</p> <p>High priority to secure the overall long term sustainability of the service Universal service applied to everyone</p> <p>High priority targeted at greatest need. Affordable houses, homelessness and vulnerable groups.</p> <p>Overall strategy to promote tourism, inward investment, and creation of jobs. Universal benefit</p> <p>Implementation of strategies to deliver personalization and improve outcomes for vulnerable people. Targeted to need.</p> <p>Implementation of strategies to deliver savings that enable the Council to direct resources to key priorities and reduce the need to make cuts in front line services</p>

APPENDIX 6

<u>SAVINGS PROPOSALS</u>	<u>Impact</u>
Budget Strategy	Details of the savings proposals are set out in appendix 5 to the budget report
Social Care – Westminster House respite care service	A separate consultation process for proposals for the respite care service at Westminster House was undertaken from 15 October 2010 to 14 January 2011. An Equality Impact Assessment is contained in Appendix 12i of the Council's budget report 23 rd February 2011..
Social Care – proposed changes to the Council's charging policy for Adult Social Care services and eligibility thresholds	A separate consultation process for proposals for charging for Adult Social Care services and eligibility thresholds was undertaken from 15 October 2010 to 14 January 2011. An Equality Impact Assessment is contained in Appendix 12i of the Council's budget report 23 rd February 2011
Public Conveniences – consultation on public convenience plans	A separate consultation process for proposals for public conveniences was undertaken from 7 January to 31 January 2011
Libraries – A New Chapter – a fresh direction for the Island's Libraries	A separate consultation process for proposals for libraries has been in place from 4 January to 7 February 2011. An Equality Impact Assessment will be considered as part of the decision making process.
Management Review and Staff Restructuring	Separate consultation has taken place with staff and unions on the proposals to reduce the numbers of staff working directly for the Council and a separate Equalities Impact Assessment has been carried out for that process
Income from Fees and Charges – Council Charging Policy	The Council's policy for charging for services requires equality and diversity issues to be considered when implementing changes to fees and charges

Declaration

We are satisfied that an initial screening has been carried out on this scheme/service and a full Equality Impact Assessment is not required.

We understand that the council requires the Equality Impact Assessment and that we take responsibility for the completion and quality of this assessment.

Completed by: David Burbage
Role: Strategic Director of Resources

Date: 27th January 2011