

Stage 1 Equality Impact Assessment – Initial Screening

Assessor(s) Name(s):	Chris Ward / Kerry Hubbleday
Directorate:	Council wide
Date of Completion:	February 2023

Name of Policy/Strategy/Service/Function Proposal

Budget and Council Tax setting 2023/2024 and Future Years Forecasts

The Aims, Objectives and Expected Outcomes:

The revenue and capital budget and council tax for 2023/2024 will be set at the Council meeting on 22 February 2023.

The key proposals within this report are for a balanced Budget for 2023/24 which provides for: the full financial impact of the extra-ordinary inflation and associated demand related cost pressures experienced over the past year and extending into 2023/24; The ongoing impact of the Covid Pandemic in the current year and its expected ongoing legacy over the next 3 years; A Council Tax increase of 4.99% (2.0% of which is raised specifically to be passported to Adult Social Care); Increased spending in Adult Social Care of £7.6m being greater than the funding provided by the Adult Social Care precept and the additional Social Care Grant from Central Government; Increased spending in Children's Services of £4.3m

£3.9 of savings in 2023/24 are required in order to meet: The Council resolution of 23 February 2022 - £2m; The extra-ordinary Budget Pressures that have not been met through additional Government Funding or Council Tax and that the Council has been unable to mitigate - £1.6m; The financial impact of the Council's preference to increase the maximum support to the Council's Local Council Tax Support Scheme - £0.3m

A forecast for the 3 year period beyond 2023/24 will require a further £6.0m in savings or £2.0m p.a. (remaining the same as the Council's previous forecast)

To achieve "Structural Balance" a need to implement a substantial Organisational Re-design during 2023/24 with a consequent reduction in Council activity and therefore a substantial rationing of the Council's priorities set out in the Corporate Plan

Future years' deficits arise mainly from forecast demographic and inflationary pressures in Care Services not matched by funding increases

The budget provides for a level of General Reserves over the period of the 3 year forecast above £11.9m (but recognising the substantial uncertainty faced by the Council over that period).

Local Government Funding Reform has been delayed once again and will now not take place until the financial year 2025/26 at the earliest, this was intended to be Government's vehicle

for evaluating and allocating funding for the "Island Deal" in respect of annual funding for Council Services.

Government have confirmed that the additional £1m allocated to the Isle of Wight Council in the current year in respect of the costs of physical separation from the mainland will continue into 2023/24.

The most significant risks to the Forecast Deficit of £6.0m (for the three year period 2024/25 to 2026/27) are the extent to which: Elevated levels of inflation will persist and the consequent price and demand pressures that result; Unavoidable cost pressures may arise, particularly in Care Services; The level of successful business rate appeals arising from the revaluation in 2023/24; The impact of the Local Government Funding Reform described above (and the extent to which it accommodates any "Island Deal").

Taking these risks together, the Forecast Deficit has the potential to vary by between +/- £5m, which when spread over 3 years, would vary the annual savings requirements by +/- £1.67m per annum.

During this unprecedented level of uncertainty, it is imperative that the Council continues to plan for savings of £2.0m per year in the future, retaining the Covid Contingency and General Reserves at the levels proposed in the Budget Report so as to retain the necessary financial resilience to be able to respond in all circumstances.

The Council's proposed Budget for 2023/24 will inevitably carry substantial risk as the uncertain inflationary environment continues and the demands on Council Services, particularly in the Housing and Health and Care sectors remain. The current financial environment and the pace at which £20m of unplanned Budget Pressures arose has exposed the inadequacy of Council's overall financial resilience, making the compelling case for an increase in both General Reserves of at least £1m and an increase in the Council's Corporate Contingency of £0.5m. It has also highlighted the importance of the Council's MTFS that seeks to gently increase General Reserves over time.

Since 2011/12, savings of £93m will have already been made (over 40% of controllable spend) due to the combination of government funding reductions and increasing demographic cost pressures.

As in previous years, the Medium Term Financial Strategy (MTFS) has advocated an "Avoidance to Cuts" approach wherever possible. The Administration are committed to maximising this approach and with a very strong emphasis on income generation going forward. The exceptional circumstances currently being experienced have required a much heavier reliance of service reductions for the coming year.

In overall terms, 84% of the proposed £3.9m of savings are delivered through Efficiencies and Income Generation and 16% achieved through service reductions.

It is important to note that it is the responsibility of the Council to approve the overall Budget and the associated cash limits of its Portfolios; it is not the responsibility of the Council to approve any individual savings or additions within those Portfolios, that responsibility is reserved for Cabinet Members. The budget savings are indicative only. It is therefore a matter for the Portfolio Holder and Service to have due regard to the equality duties as set out in the Equalities Act 2010 and where required to undertake an EIA assessment to determine the impact of each saving as they are taken forward.

Please delete as appropriate:

This is a proposal for the budget and council tax setting for 2023/24.

Key Questions to Consider in Assessing Potential Impact

<p>Will the policy, strategy, service or council function proposal have a negative impact on any of the protected characteristics or other reasons that are relevant issues for the local community and/or staff?</p>	<p>This will be determined by separate EIAs as actual savings items are taken forward</p>
<p>Has previous consultation identified this issue as important or highlighted negative impact and/or we have created a “legitimate expectation” for consultation to take place? A legitimate expectation may be created when we have consulted on similar issues in the past or if we have ever given an indication that we would consult in such situations</p>	<p>An overarching Budget consultation through an on-line survey took place between the 22 December 2022 and 30 January 2023 with 1092 responses. The results of the Budget Consultation are set out in the body of the report and the recommendations are broadly aligned with the consultation response.</p> <p>The need for additional consultation will be considered as each savings item is taken forward</p>
<p>Do different groups of people within the local community have different needs or experiences in the area this issue relates to?</p>	<p>This will be determined by separate EIAs as actual savings items are taken forward</p>
<p>Could the aims of these proposals be in conflict with the council’s general duty to pay due regard to the need to eliminate discrimination, advance equality of opportunity and to foster good relations between people who share a protected characteristic and people who do not?</p>	<p>This will be determined by separate EIAs as actual savings items are taken forward</p>
<p>Will the proposal have a significant effect on how services or a council function/s is/are delivered?</p>	<p>This will be determined by separate EIAs as actual savings items are taken forward</p>
<p>Will the proposal have a significant effect on how other organisations operate?</p>	<p>This will be determined by separate EIAs as actual savings items are taken forward</p>
<p>Does the proposal involve a significant commitment of resources?</p>	<p>This will be determined by separate EIAs as actual savings items are taken forward</p>
<p>Does the proposal relate to an area where there are known inequalities?</p>	<p>This will be determined by separate EIAs as actual savings items are taken forward</p>

If you answer **Yes** to any of these questions, it will be necessary for you to proceed to a full Equality Impact Assessment after you have completed the rest of this initial screening form.

If you answer **No** to all of these questions, please provide appropriate evidence using the table below and complete the evidence considerations box and obtain sign off from your Head of Service.

Protected Characteristics	Positive	Negative	No impact	Reasons
Age				This will be determined by separate EIAs as actual savings items are taken forward
Disability				This will be determined by separate EIAs as actual savings items are taken forward
Gender Reassignment				This will be determined by separate EIAs as actual savings items are taken forward
Marriage & Civil Partnership				This will be determined by separate EIAs as actual savings items are taken forward
Pregnancy & Maternity				This will be determined by separate EIAs as actual savings items are taken forward
Race				This will be determined by separate EIAs as actual savings items are taken forward
Religion / Belief				This will be determined by separate EIAs as actual savings items are taken forward
Sex (male / female)				This will be determined by separate EIAs as actual savings items are taken forward
Sexual Orientation				This will be determined by separate EIAs as actual savings items are taken forward

Are there aspects of the proposal that contribute to or improve the opportunity for equality?	
This will be determined by separate EIAs as savings items are taken forward	

Evidence Considered During Screening
The Budget consultation survey, information provided by services and the budget information

Head of Service Sign off:	Chris Ward
Advice sought from Legal Services (Name)	Chris Potter
Date	February 2023

A signed version is to be kept by your team and also an electronic version should be published on the council's website (follow the link from the EIA page on the intranet)
Summary

Date of Assessment:	February 2023
Signed off by Head of Service/Director	Chris Ward