

Stage 1 Equality Impact Assessment – Initial Screening

Assessor(s) Name(s):	Chris Ward / Kerry Hubbleday
Directorate:	Council wide
Date of Completion:	February 2024

Name of Policy/Strategy/Service/Function Proposal

Budget and Council Tax setting 2024/2025 and Future Years Forecasts

The Aims, Objectives and Expected Outcomes:

The revenue and capital budget and council tax for 2024/2025 will be set at the Council meeting on 28 February 2024.

The key proposals within are for a balanced Budget for 2024/25 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 2024/25;
- 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 £6.3m and increased spending in Children's Services of £5.0m being greater than the funding provided by the Adult Social Care precept and the additional Social Care Grant from Central Government (totalling £6.6m)
- £2.75m of savings in 2024/25 are required in order to meet: The Council resolution of 22 February 2023 - £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 and the financial impact of the Council's preference to increase the maximum support to the Council's Local Council Tax Support Scheme offset by the removal of the Exceptional Hardship Fund - £0.25m
- Draw down from General Reserves of £1.2m
- A Covid Contingency of £5m, sufficient to support the Budget and Adult Social Care spending for the next 2 years
- A forecast for the 3 year period beyond 2024/25 will require a further £3.0m in savings or £1.0m p.a.

"Structural Budget Balance" is anticipated to be achieved in 2025/26 but predicated upon implementing a 100% Council Tax premium on second homes from April 2025 and the continuation of the "Island Deal" funding at £4m in total.

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 at

c £10.8m (but recognising the substantial uncertainty faced by the Council over that period).

The most significant risks to the Forecast Deficit of £3.0m (for the three year period 2025/26 to 2027/28) are the extent to which: The impact on Council Services of the prolonged elevated levels of inflation both on its own costs and in demand for Council Services; unavoidable cost pressures that may arise, particularly in Care Services; the level of successful business rate appeals arising from the revaluation in 2023/24; the impact of the review of Local Government Funding.

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.

Given the uncertain nature of the Forecast Budget Deficit for future years, the forecast of £1m savings for the years 2025/26, 2026/27 and 2027/28 must be considered as indicative at this stage.

During this unprecedented level of uncertainty, it is imperative that the Council continues to exercise financial restraint and manage its cost base carefully if it is to remain well placed to respond to any inflation and service demand volatility as well as the review of Local Government Funding. Equally, the Council should retain reserves at the levels proposed in the report to secure the necessary financial resilience to be able to respond in all reasonable circumstances.

The Council's proposed Budget for 2024/25 will inevitably carry substantial risk seeking to accommodate the uncertain inflationary environment, the continuing pressures in Social Care and the increasing demands for Council Services arising from the "cost of living crisis", all making a compelling case for maintaining the minimum level of General Reserves to be held of £8m.

Since 2011/12, savings of £97m will have already been made (over 40% of controllable spend) due to the combination of government funding reductions and increasing demographic cost pressures.

The Cabinet's aspiration for the Council's spending plans remains to reverse the annual cycle of cuts in the Council's budgets and reinvest in the services the community would like to see. However, the absence of funding keeping pace with inflation and pressures in Social Care has made that impossible.

In overall terms, 83% of the proposed £2.75m of savings are delivered through Efficiencies and Income Generation and 17% 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 2024/25.

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 18 December 2023 and 26 January 2024 with 824 responses (1092 last year). 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)	Justin Thorne
Date	February 2024

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 2024
Signed off by Head of Service/Director	Chris Ward