

General Fund Budget 2011-12 – 2013-14 Savings Proposals Equality Impact Assessments

Introduction and context

The country faces an unprecedented squeeze on public spending. The Coalition Government's Spending Review in November 2010 set out unprecedented cuts to funding of public services. In Tower Hamlets these cuts are affecting all public services. To deliver a balanced budget for 2011-14, the Council has therefore set a savings target for the General Fund of £72m on top of the £7m savings we were forced to make in 2010/11. The Council has also lost significant grant, in particular Working Neighbourhoods Fund, through which we received £33m over the last three years. At the heart of our approach to delivering these savings is a commitment to protect the most vulnerable in our communities and to ensure that in making difficult decisions about funding we maintain an absolute commitment to promoting equality for everyone who lives and works in the borough.

Approach to equality impact assessment process

The setting of the Council's budget is a complex and lengthy process which involves consultation with the public, business and Members of the Council through the Budget and Policy Framework. High quality information about the equality impact of savings proposals is necessary to enable budget decisions to be taken in an informed, fair and transparent way. At a time of significant financial pressure this is essential to maintaining the Council's commitment to tackling inequality and disadvantage, as well as fulfilling the authority's legal duties.

The table below outlines the process which has been adopted to assess the impact on equality of all savings proposals:

Action	When
Produce screenings of individual savings proposals to establish potential to affect equality	December 2010
Produce Equality Impact Assessments of major savings themes	January 2011
Under take Equality Impact Assessment of the budget	January 2011
Produce Community Plan Equality Impact Assessment	February 2011

As a result of the screening of all savings proposals, a total of 25 Equality Impact Assessments have been produced. For the most part these Assessments focus on the potential for the proposals to affect residents and

service users. The impact of the proposals on staffing is addressed through the Equality Impact Assessment of the Council's 'Lean' programme except where a savings proposal involves the deletion of a service in its entirety and the impact on staff of redundancies is clear.

The equality impact assessments which follow relate to savings to the Council's General Fund as set out in the 9th February Cabinet Report. In some cases in their implementation general fund budget proposals will also mitigate loss of grant, such as Working Neighbourhoods Fund. Where this is the case, this is clearly set out in the EQIA.

Staffing

A significant number of savings proposals presented in the savings proposals include the restructure of teams and service areas. To ensure that in delivering the savings required by the reduction in the Council's budget, we maintain our focus on promoting equality of opportunity and eliminating discrimination for our workforce, we have taken steps to monitor the impact of staffing changes and retain a focus on promoting equality of opportunity and eliminating discrimination for our workforce. Included in the following documentation is an equality impact assessment of the Lean programme, our programme to streamline the Council's management structure, strategic core and business back office to secure efficiencies and protect staff involved in providing services for the most vulnerable. This impact assessment makes some high level predictions about the likely impact of reduction in staffing in terms of those who are most likely to lose their jobs and impact on the overall profile of the staff in the Council.

What follows is a summary of the findings of the Equality Impact Assessments. It provides some background information on the nature of inequality in Tower Hamlets and highlights key changes in welfare reform which are likely to affect specific sections of our community. It then summarises overall impact for each group and highlights where individual savings proposals are of particular relevance to that group.

Equality group	Local context and related factors	Impact of budget savings proposals
<p>Children and young people</p>	<p>Child poverty: Tower Hamlets has the highest rate of child poverty in England and families are more likely to be reliant on benefit income than families in other areas. We have a very young population with a prevalence of large families.</p> <p>Welfare Benefit reform: It is projected that reforms to the welfare benefits system are likely to have a significant impact on the income of families with children in Tower Hamlets. Relevant reforms include:</p> <ul style="list-style-type: none"> - Overall cap on welfare benefit income for working age workless families - Usage of Consumer Price Index to up-rate benefits which is likely to lead to a real term drop in income from benefits over time - Freezing of Child Benefit to 2013 - Abolition of Educational Maintenance Allowance <p>Schools funding: The Coalition Government has introduced significant ring fencing of funding for education essentially moving spending power from the local authority to individual schools. This is likely to have a significant impact on the way in which services to address inequality are provided to school children.</p>	<p>Significant steps have been taken to mitigate the adverse impact of policy changes in relation to children and young people in the borough, including:</p> <ul style="list-style-type: none"> - Freezing of the price of school meals - Maintaining levels of funding for direct access Youth Service provision - Maintaining eighty five venues that provide direct services for children under <p>However cuts to funding mean that overall services for children and young people will become more targeted on vulnerable children and those with specific needs. The transfer of funding for the provision of support services from the local authority to schools means that we are not able to control what services are taken up by schools. A number of support services currently provided by the Council have played an important part in driving school improvement, tackling under-achievement and supporting vulnerable pupils. . While schools have indicated that there will be a demand for some services, they are not yet in a position to confirm which services they will purchase. If schools choose not provide these services this could affect our ability to close the gaps in educational attainment for vulnerable</p>

	<p>In addition, the government has removed Bangladeshi children from the definition of low achieving ethnic groups. In Tower Hamlets, Bangladeshi children make up 63 percent of the school population and this has led to a reduction of £1.3m in the money the Council receives from the Formula Grant and there is a risk that it will in the future affect schools grant.</p>	<p>pupils.</p> <p>Where savings have been made in provision of services for children and young people, the Equality Impact Assessments set out below describe the impact of changes in the following areas:</p> <ul style="list-style-type: none"> - Refocusing of specialist youth services on the needs of vulnerable young people - Retention of universal youth services - Redesign of early years services - Greater targeting of services for children with special educational needs - Management streamlining and efficiency programme to reduce costs of procuring Child and Adolescent Mental Health Service - Recharge Schools for Support Services
Older people	<p>Pensioner poverty: Tower Hamlets has one of the highest rates of pensioner poverty in England; 51 per cent of the borough's pensioners receive means-tested support through Pension Credits compared with 20 percent of pensioners in England.</p> <p>Welfare Benefit reform: On the whole, pensioners have been better protected than other groups from the welfare benefit cuts though many</p>	<p>Significant steps have been taken to protect services for the most vulnerable older people, including:</p> <ul style="list-style-type: none"> - Retention of free domiciliary care for all social care service users assessed as eligible, making us the only Council in the country who do not charge for this service <p>People over 65 make up over fifty percent of the</p>

	<p>pensioners will still lose out as a result of some of the other measures included in the current package of welfare reforms, including:</p> <ul style="list-style-type: none"> - Cuts to Housing Benefit - Use of the Consumer Price Index to up-rate those pensioner and other benefits that have not been protected including Attendance Allowance and Carers Allowance - Removal of Disability Living Allowance Mobility Allowance <p>In addition, the increase in VAT to 20 per cent will impact heavily on pensioners on low and fixed incomes.</p>	<p>people who receive adult social care services in the borough. From this year, older people are likely to experience changes in the way social care services are provided, with a greater emphasis on promoting independence and supporting people to avoid long term and residential care. The savings proposals set out below form part of the Council's overarching Transforming Social Care Programme:</p> <p>http://www.towerhamlets.gov.uk/lgs/701-750/730_transforming_social_care.aspx</p> <p>Where savings have been made in provision of services for older people, the Equality Impact Assessments set out below describe the impact of changes in the following areas:</p> <ul style="list-style-type: none"> - Promoting independence and reducing demand for domiciliary care through re-ablement - Care Management Levels - Domically Care Re-commissioning
Disabled people	<p>Worklessness and poverty: In Tower Hamlets, people with disabilities and long term health conditions experience high levels of worklessness. In 2010, 7% of the Tower Hamlets working age</p>	<p>Significant steps have been taken to protect services for disabled people in this budget setting process, including:</p> <ul style="list-style-type: none"> - Retention of free domiciliary care for all social

	<p>population claimed Employment Support Allowance/Incapacity Benefit and just 21 per cent of people with long-term mental illness were employed, the lowest proportion of any disabled group.</p> <p>Welfare Benefit reform:</p> <ul style="list-style-type: none"> - New Employment and Support Allowance (ESA) work capability assessments will be rolled out and is likely to result in a high proportion of current Incapacity Benefit claimants being moved onto Job Seekers Allowance - From April 2012 eligibility for contributory ESA will be limited to 12 months except for those who are in the ESA Support Group - A new medical test for Disability Living Allowance (DLA) will be introduced from 2013/4 which the Treasury estimate will lead to reduction of 20% in DLA cost and case load - DLA mobility component will be removed from care home residents from 2012 	<p>care service users assessed as eligible, making us the only Council in the country who do not charge for this service</p> <p>People with physical and learning disabilities and mental health conditions make up over 95 percent of the people who receive adult social care services in the borough. From this year, people with disabilities and mental health conditions will experience changes in the way social care services are provided, with a greater emphasis on promoting independence and supporting people to avoid long term and residential care. The savings proposals set out below form part of the Council's overarching Transforming Social Care Programme:</p> <p>http://www.towerhamlets.gov.uk/lgs/701-750/730_transforming_social_care.aspx</p> <p>Where savings have been made in provision of services for disabled people, Equality Impact Assessments describe the impact of changes in the following areas:</p> <ul style="list-style-type: none"> - Review of home to school pupil transport for children with special educational needs who cannot travel independently through reviewing eligibility and provision of alternative travel options - Review of Parents Advice Service for parents
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		<p>of children with special educational need</p> <ul style="list-style-type: none"> - Increase access to Supported Living for people with learning disabilities and mental health conditions to reduce usage of residential care - Modernisation of Learning Disability Day Opportunity Services to - Decommissioning of Housing Link advice service for people experiencing mental ill health and move to greater use of generic tenancy support services for this client group
Parents	<p>Welfare Benefit reform:</p> <ul style="list-style-type: none"> - Restriction of the Maternity Grant to the first child will have a disproportionate impact on large families in the borough - Freezing of Child Benefit to 2013 - The rise in Child Tax Credit (CTC) will alleviate some of the effects of other changes on families. 97% of tax credit claimants overall are families with children, and 53% of these are workless households, which stand to benefit the most from this increase, as they will receive the maximum allowance. As it is also calculated on a per child basis larger families are more likely to benefit, however this will not go far enough in off setting the cuts in other areas for these families. Families with very young children will further lose out here through the end to the baby element of the CTC. 	<p>Significant steps have been taken to mitigate the adverse impact of policy changes in relation to children and families in the borough as set out above.</p> <p>Reduction in funding has had an impact on resources available to provide child care and parental support services. However, the savings proposals set out below safeguard child care provision for working parents and ensure that services currently provided through Children’s Centres are maintained through streamlining of management and back office functions and consolidation of some services. Advice services for parents will become more targeted, with safeguards in place for parents of children with Special Educational Needs.</p>

	<ul style="list-style-type: none"> - Lone parents: Benefit conditionality will be extended to those whose youngest child is 7 to those whose youngest child is 5 or above from 2011/12. This means these parents will be expected to look for work and have to claim Job Seekers Allowance instead of Income Support 	<p>Where savings have been made in provision of services for parents, the Equality Impact Assessments set out below describe the impact of changes in the following areas:</p> <ul style="list-style-type: none"> - Redesign Early Years and Children’s Centre management - Review of Extended Schools Service - Review of Parents Advice Service
Women	<p>In Tower Hamlets women are more likely to be out of work than men and those in work are more economic activity rates for women (58%) are much lower than the London (68%) and UK (74%) averages, with 37% of women categorised as economically inactive and not seeking work. Women represent 65 per cent of the public sector workforce in the UK, and as a result are more likely to experience job losses as a result of cuts in expenditure.</p> <p>We know that many public services are vital in mitigating the gender inequalities that exist in families, communities, employment and the wider economy. Reducing funding for these services therefore increases the risk of a widening in inequality between men and women.</p> <p>Welfare Benefit reform:</p> <ul style="list-style-type: none"> - A larger share of women’s income is made up 	<p>The budget proposals set out below seek to protect the services which have the greatest impact on equality for women, including:</p> <ul style="list-style-type: none"> - Review of Extended School provision to ensure provision of childcare for working parents - Reallocation of funding to mitigate the impact of loss of dedicated grants to provide domestic violence services <p>Staffing</p> <p>Women are more likely to be employed in lower paid jobs in the Council. They are concentrated in the lower pay bands of the organisation, making up 65 per cent of those earning £30,000 or less. Our approach to creating a leaner, more flexible workforce has been to streamline management and back office functions and protect the frontline, resulting in the loss of one in ten posts over £30,000 and one in six posts in the over £30,000 salary bands. While we still predict that the</p>

	<p>of benefits and tax credits than men – an average of 20 per cent for women compared to ten per cent for men – and more women earn too little to benefit from changes in income tax thresholds than men</p> <ul style="list-style-type: none"> - Health in pregnancy grant will be abolished in January 2011 - Eligibility for Maternity Grant will be restricted to the first born child from 2011 - Freezing of Child Benefit to 2013 	<p>proportion of women whose posts are deleted will be higher than the number of men, the scale of the impact on them has been mitigated as a result of this protection of frontline staff.</p>
Race	<p>We know that young and older people experience the highest levels of economic deprivation in the borough. 70 per cent of under 19s are from BME backgrounds, whereas 69 per cent of over 60s are from White British backgrounds. This difference in age profile contributes to differences in the usage of social care services by adults in the borough. Although only 35 per cent of people aged 20 and over in the borough are from white backgrounds, 59 per cent of adult social care service users (aged 18 and over) are white.</p> <p>In Tower Hamlets we also know that people from black and minority ethnic (BME) communities are more likely to live in low income and overcrowded</p>	<p>The proposed budget seeks to protect services for people with the greatest need. The Equality Impact assessments below identify the impact of savings proposals on people from different ethnic backgrounds:</p> <ul style="list-style-type: none"> - Retention of a universal youth services provision - Increase in provision of customer services through the Council's website aimed at reducing demand for face to face and telephone contact - Retention of free domiciliary care for all social care service users assessed as eligible, making us the only Council in the country who do not charge for this service

	<p>households, experience unemployment and worklessness and work in lower paid jobs.</p> <p>Welfare Benefit reform: Housing Benefit: Black and minority people are much more likely to live in large family households. Large families living in private accommodation stand to see the biggest shortfall in Housing Benefit support, with a loss between £50-170 per week.</p> <p>In addition, the government has removed Bangladeshi children from the definition of low achieving ethnic groups. In Tower Hamlets, Bangladeshi children make up 63 per cent of the school population and this has led to a reduction of £1.3m in the money the Council receives from the Formula Grant and there is a risk that it will in the future affect schools grant.</p>	<p>Staffing Staff from BME backgrounds are concentrated in the lower pay bands of the Council, making up 65 per cent of those earning £30,000 or less. Our approach to creating a leaner, more flexible workforce has been to streamline management and back office functions and protect the frontline, resulting in the loss of one in ten posts over £30,000 and one in six posts in the over £30,000 salary bands. While we still predict that the proportion of BME people whose posts are deleted will be higher than other groups, the scale of the impact on them has been mitigated as a result of this protection of frontline staff.</p>
Socio-economic	<p>Tower Hamlets is one of the most deprived areas of in England and the percentage of residents reliant on benefit income is relatively high, especially among families with children. The borough also has a relatively large working age population – the claimant group most heavily targeted in the Coalition Government’s welfare benefit reforms.</p> <p>We know that these high rates of deprivation in the borough, along with the high prevalence of people</p>	<p>In developing savings proposals we have sought to avoid charging for the services people rely on to meet day to day needs:</p> <ul style="list-style-type: none"> - Retaining free domiciliary care for all social care service users assessed as eligible, making us the only Council in the country who do not charge for this service <p>Customer charging has been introduced in the following services and the Equality Impact</p>

	<p>with disabilities and long term health conditions, mean that more people in Tower Hamlets are reliant on public services than people in other parts of the country. The direct and indirect effects of cuts to public spending when combined with the changes to welfare reform are likely to result in considerable hardship for many residents.</p>	<p>Assessments attached set out plans to mitigate the impact of these charges on those least able to pay:</p> <ul style="list-style-type: none"> - Pest Control Service review - Commercial Waste Income Opportunities - Equalising charges for Pay and Display across the borough - Review of leisure service charges
<p>Sexual orientation</p>		<p>At this stage we have not identified any proposals which would affect sexual orientation equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting on the implementation of these savings we are able to assess impact in terms of sexual orientation equality.</p>
		<p>At this stage we have not identified any proposals which would affect equality for people based on religion or belief. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting on the implementation of these savings we are able to assess impact in terms of religion and belief equality.</p>