



Resources and Governance Scrutiny Committee

Date: Monday, 27 February 2023

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

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Membership of the Resources and Governance Scrutiny Committee

Councillors - Simcock (Chair), Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

Supplementary Agenda

- 5r. Budget 2023/24 Anti-Poverty and Equalities Impact Assessment Report of the Deputy Chief Executive and City Treasurer. 3 - 16

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Monday, 20 February 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester, M60 2LA

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 27 February 2023

Subject: Budget Equality and Poverty Impact Assessments

Report of: Deputy Chief Executive and City Treasurer

Summary

This report provides details on how the approach to Equality Impact Assessments and Poverty Impact Assessments have been embedded and strengthened in the Budget setting and business planning processes in the future. The report also covers the budget setting process for 2023/24 and the impact this will have on equalities and poverty.

Recommendation

Members are requested to note the contents of this report

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The production of an Equality Impact Assessment does not directly impact on the achievement of the city's zero-carbon target. However, it is recognised that some resident groups in Manchester will potentially particularly benefit from advancement on the zero-carbon agenda. More energy efficient housing, healthier households who are more active, safe and can access active travel and public transport will improve residents' lives. Reducing carbon emissions and improve air quality across the city will in turn help reduce health inequalities. Increasing and improving the quality, quantity and accessibility of green spaces and nature within the city, will enable all people to benefit from spending time in nature, resulting in improved physical and mental health and wellbeing of residents.

Manchester City Council is mindful of a just transition to achieving its zero carbon ambitions and is conscious of not creating new forms of inequality and poverty and ensuring everyone benefits from the progress being made.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Manchester City Council has a long-standing commitment to promote equality, celebrate diversity and advance inclusion. This commitment has underpinned the

Council's decision making and business planning processes for some years, with equality featured explicitly in business planning documents and Equality Impact Assessments (EqIAs) carried out for both budget proposals and business as usual changes to Council functions.

EqIAs are a vital component of how the Council as a Public Authority considers its policies or decisions affect people who are protected under the Equality Act 2010. We consider how we:

- eliminate unlawful discrimination
- advance equality of opportunity between people who share a protected characteristic and those who don't
- foster or encourage good relations between people who share a protected characteristic and those who don't

This paper outlines the identified impacts through the equalities and poverty assessment of the current budget proposals as well as the future service planning approach to ensure equalities considerations are embedded in future service design and delivery.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
<p>A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities</p>	<p>EqlAs are a vital component of how the Council has due regard for equality and equitability in its decision making processes. Communities and customers are the focus of the EqlAs and the analysis allows the Council to safeguard and enhance community potential and wellbeing in the delivery of its business. This analysis is relevant across all service areas and functions, and covers a diverse range of resident groups. As such, the EqlA framework potentially connects with all the Our Manchester Strategy outcomes.</p> <p>As the city's economy addresses the cost-of-living crisis, it is critical that our residents with protected characteristics are appropriately supported and will ultimately benefit from the growth and employment opportunities created.</p>
<p>A highly skilled city: world class and home-grown talent sustaining the city's economic success</p>	<p>Achieving good educational attainment for people with protected characteristics is needed, alongside fostering talent diversity, and enabling equality of opportunity amongst the city's workforce. All are needed to ensure we sustain the city's economic success.</p>
<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>Enhancing our understanding about our diverse communities and their inequalities will provide an overview of where further work is needed to tackle inequality.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit, work</p>	<p>Events and cultural activity that reflect and celebrate the diversity of the city are essential to making Manchester cohesive and a vibrant place to live and visit. And that we have a built environment that is accessible to all people with protected characteristics</p>
<p>A connected city: world class infrastructure and connectivity to drive growth</p>	<p>Transport and digital inclusion is a key driver of a connected city and essential to enable residents with protected characteristics to fully participate in the all the city has to offer and digital opportunities in jobs and skills.</p>

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Making Manchester Fairer: Anti-Poverty Strategy 2023-2027 was approved by Executive on 18 January 2023

Budget Equality and Poverty Impact Assessments, RAGOS, 11th January 2022

[Autumn Statement Resources and Governance 17 November 2022](#)

Provisional local government finance settlement 2023/24 and budget – Resources and Governance – 10 January 2023

1.0 Introduction

- 1.1 Manchester City Council has a long-standing commitment to promote equality, celebrate diversity and advance inclusion. This commitment has underpinned the Council's decision making and business planning processes for some years, with equality considerations featured explicitly in business planning documents and Equality Impact Assessments (EqIAs) carried out for both budget proposals and business as usual changes to Council functions. This paper outlines the identified impacts through the Equalities and poverty assessment of the current budget proposals as well as the future service planning approach to ensure equalities considerations are embedded in future service design and delivery.
- 1.2 Funding announcements in the Government's Autumn Statement on 17 November 2022, the provisional local government finance settlement on 19 December 2022 and final local government finance settlement on 6 February 2023 confirmed that the circa £15 million savings, as reported to Resources and Governance committee on 7 February 2023, are sufficient to deliver a balanced budget next year. The detail on these can be found in the report of the Deputy Chief Executive and City Treasurer elsewhere on the agenda on the Local Government Finance Settlement and budget position. Where the measures require an EqIA, these have been undertaken.
- 1.3 This committee is asked to note the contents of this report, in particular the amendments being made to future years to ensure that both Equality and Poverty impacts are considered during the development of any budget proposals.

2.0 Overview of decision-making framework, monitoring progress and approach to evaluation

- 2.1 Tackling inequalities is a clear and cross cutting theme of the Our Manchester Strategy for the city that was reset in 2021, and of the Council's Corporate Plan that sets out how the Council will deliver the ambitions for the city. Commitments to tackling inequalities are also central to the Council's Business Plan that is included in the Budget papers for 2023/24. Each service is then asked to develop their own service plan for the year and again, describing how the service will take steps to tackle inequalities is a key part of the service planning process.
- 2.2 The Council uses a wide range of data and intelligence about communities in the city and different neighbourhoods and localities to inform decisions and service priorities. An example described later in this paper is the geographical analysis of the impacts of the cost of living that led to targeted investment and support being delivered in 11 priority wards. The annual State of the City report monitors progress – highlighting strengths and issues that need further development – that the city is making against the Our Manchester Strategy ambitions. The Council's Intelligence Hub provides an online interactive resource that brings together data on different parts of the city at a range of spatial levels.

- 2.3 The Council has a strong commitment to using evidence and evaluation to inform decision making and improve its services. Public service reform programmes in Manchester each involve selecting interventions that have the strongest evidence base and can be effectively implemented in the context of Manchester. Evaluation tracks the impacts of reform programmes against key indicators of improved outcomes for residents and of reductions in demand for public services. Examples include the Children's Services reform programme and Better Outcomes Better Lives in Adult Social Care such as:
- 2.3.1 Children's Early Help has made a significant contribution to the consistent reduction in referrals to Children's services and reductions in the populations of Looked After Children and Children on a Protection Plan. Outcomes have been tracked over ten years for over 7,700 families during the period of support and whether these are sustained for up to twelve months after support ended, and include:
- Social care: 97% of families who received an offer of Early Help were not know to social work within 12 months of intervention ending
 - Children in Need: 83% of children and families who received a service sustained changes a year later and did not require a statutory intervention.
 - Attending school: 52% of families had children with unauthorised absence before support, this is reduced to 7% after support
 - Crime and disorder. 59% of families had at least one police call out before support, this is reduced to 35% after support
- 2.3.2 Adult Social Care. 60% of those people receiving Reablement support do not require a package of care afterwards, and stay in hospital on average 4.1 fewer days for non-elective care
- 2.4 The Council funds and invests in the Voluntary, Community and Social Enterprise (VCSE) sector in many ways, including the £2.4 million per year Our Manchester Voluntary and Community Sector (OMVCS) grants programme. Established in 2018, the OMVCS programme has been refreshed for the 2023-2026 financial years and is in the process of awarding funding to VCSE organisations across the city. The 2023-2026 programme specifically aims to support organisations that tackle inequalities, reduce poverty, and improve health and well-being. Budget proposals are being brought forward to invest an additional £2 million in support for vulnerable residents and the VCSE sector. This £2 million includes funding of £840,500 for 2023/24 and 2024/25 for an additional Supporting Communities Fund to fund community infrastructure organisations and an additional development fund of £107,500 for those years to develop this infrastructure in areas of the city where it is less mature. Taken together and subject to due diligence, a balanced portfolio of 60 VCSE organisations across the city will be funded through these programmes. Compared to the 2018-2022 OMVCS programme, and again subject to due diligence, there will be an increased share of funding for organisations in North Manchester and an increased share for organisations supporting Black, Asian, and Minority Ethnic (BAME) communities.

3.0 Equality and poverty impact approach

3.1 The completion of equality analyses, to assess the implications of the business planning and budget proposals process for protected groups, is now a well-established approach and work has been continuing to ensure it is fully embedded and used effectively.

3.2 The standard Council EqIA template was amended in 2020 to streamline the process and allow for swift decision-making whilst retaining due regard for equality. The Council took the opportunity consider additional priority groups as part of the impact assessment, in addition to those protected by the Equality Act 2010 (the Act). These additional priority groups reflect a greater breadth of inequalities than those addressed by the Act, and touch upon the provisions of Section 1 of the Act, the Socioeconomic Duty (which was not enacted). The additional priority groups are:

- Ex-armed forces personnel and their families
- People living in poverty
- People with continuing health conditions
- People with caring responsibilities
- Trans people, non-binary people, and other consideration of gender identity
- Homeless people
- Any other group identified as relevant to the activity (must specify)

3.3 In October 2022, a Council motion was agreed to give formal recognition to 'young people in care' and 'care experienced people' as additional priority group to be considered in all equality impact assessments carried out during the decision-making and policy-making process. This has also been included in the EqIA template.

3.4 The inclusion of poverty in the template is particularly useful as it is recognised that inequalities linked to age, ethnicity, disability, and sex in particular are intrinsically linked to poverty with these groups most likely to be impacted by budget reductions and service changes. The EqIA template allows for a high-level assessment of poverty impact, and where it is identified that this is a distinct issue related to their proposals, a more in-depth analysis will be undertaken using a fuller Budget Impact on Poverty Assessment template.

3.5 The Making Manchester Fairer: Anti-Poverty Strategy 2023-2027 was approved by Executive on 18 January 2023. It replaces and builds on the previous Family Poverty Strategy and covers all ages and all households. It sits within the Making Manchester Fairer framework and focuses on delivering positive changes to tackle poverty in the medium to long term. Priorities for delivery sit under four themes:

- Preventing Poverty – what we can do to prevent residents experiencing poverty
- Mitigating Poverty to make life easier for people experiencing poverty and ensuring their basic needs are met

- Pathways out of Poverty – raising people’s incomes so they can move out of poverty, and
- Inclusive and Effective delivery making sure that people with lived experience of poverty have a voice in anti-poverty work and that interventions are targeted to make sure we consider inequalities and inequity in how poverty is experienced.

3.6 In November 2022 the Council appointed a new Joint Director for Equality, Inclusion and Engagement working across MCC and the NHS. This role will be responsible for the current council equalities team (effective from 1 March 2023) and their work programme will be synthesised with wider work on Making Manchester Fairer and engagement, therefore ensuring the future delivery of this work in an integrated way.

4. 2023/24 Budget proposals

Service Reductions and Efficiencies

- 4.1 As stated above, due to the strategy adopted for delivering a balanced budget, the savings proposals for 2023/24 are largely budget adjustments which do not directly impact on service delivery. Of those proposals recommended to Council the following have been identified as requiring an Equality Impact Assessment.
- 4.2 Adult Social Care and Homelessness are both progressing with significant transformation programmes. These programmes (Better Outcomes, Better Lives and A Place Called Home) are designed to focus more on individual needs, adopting a person-centred approach with greater emphasis on prevention and early intervention. The models do not propose to reduce the service offer but to reduce future demand for services through this approach. In ASC this approach has been in place for some time and is showing positive impacts and outcomes.
- 4.3 In Adult Social Care, a new transformation programme focused on MCC’s in house supported accommodation, day services and short breaks, is now in development. The programme will focus MCC’s in house services on meeting the needs of the city’s citizens with the most complex needs. For the day services element, a full commissioning review included engagement with service users, carers, and advocates, as well as benchmarking exercises against other local authorities to ensure that no change in service becomes detrimental to any given category of residents. As the programme develops, further engagement will take place.
- 4.4 From a homelessness perspective, the Council’s allocation policy has been amended from February 2023 to enable the Council to prevent homelessness at a much earlier stage and provide more accommodation options, as well as retain priority on the housing register. The Council is also creating alternative accommodation options to temporary accommodation through a series of innovative leasing schemes. Homelessness has identified that changes in service provision are required to reduce use of Bed and Breakfast

accommodation, and to reduce, and ultimately eradicate, the need for rough sleeping on the streets. Using data from statutory presentations as well as monitoring collected from street-based outreach and engagement teams, the service has put forward mitigation and an enhanced offer by commissioning services for specific protected characteristic and other groups, for example LGBT youth and asylum seekers. It is anticipated that there will be a reduction in use of Bed and Breakfast accommodation and a reduced number of homeless presentations through improved prevention.

- 4.5 These are service redesigns with a clear purpose, and which identify a change of ethos and methodology, as opposed to simply reducing the cost of provision. The impact on individuals, and cohorts of individuals is factored into the monitoring and evaluation of the transformation programmes, and it is essential that these considerations do not lose traction as progress is made.
- 4.6 The Resident and Business Digital Experience Programme has also completed an Equality Impact Assessment which will continue to be reviewed and updated throughout the lifecycle of the programme. This assessment considers the impact changes delivered by the programme will have on our diverse communities in particular the channel shift anticipated to be delivered through the implementation of an improved digital offer which we anticipate will become a preferred method of contact for most of our residents and businesses. Similar to the approaches outlined above, this project does not recommend a service reduction but service changes which will ultimately reduce costs. The needs of our diverse communities have been considered during the early stages of the project with inclusive design embedded in the approach and resident accessibility and digital inclusion being factored into the testing and implementation of new systems and services. An in person and alternative offer will also be maintained for those residents unable to access the digital offer.
- 4.7 Highways maintenance completed an EqIA for restrictions on planned works to hold maintenance vacancies but did not identify any impacts.

Increasing costs

- 4.8 The budget will include a proposal to increase Council Tax in line with the Spending Power assumptions set by national Government, with an increase of 4.99%. This increase in Council Tax payable will directly impact on all Manchester residents, especially those already, or at risk of, living in poverty, in particular disabled people, communities experiencing racial inequality and women. As part of the budget setting process, a comprehensive Equality and Poverty Impact Assessment has been completed and indicates extensive use of data from the most recent Census, Indices of Multiple Deprivation, and statistics from Council Tax relief. The assessment considers the impact of the council tax increase as well as indicating what mitigations may be put in place for any cohorts of citizens with protected characteristics who may be adversely affected by an increase in Council Tax in Manchester. The range of support provided to Manchester residents includes discretionary support schemes, as well as support to manage the payments and repay debt. During the implementation, further considerations will be given to explicit mechanisms to

enable access to support for distinct protected characteristics. For example, the provision of advice and guidance of in languages other than English, or the processes for which those who are digitally excluded.

- 4.9 As part of the budget proposals, Council housing rents are to increase in line with the Government cap, that is 7% for social rented stock, and 11.1% for PFI properties. In addition, the heating charges for tenants who have communal district heating are to increase. The increases will reflect the significant increase in wholesale gas prices over the past 12 months and ensure that the existing subsidy is reduced. Strategic Housing Services are developing an EqIA on both rent and heating charges to ensure that services understand and are aware of support needed by the residents who are most significantly impacted by the increases. This will be dependent on data from each housing provider to establish whether there are any specific cohorts with protected characteristics who will be impacted. It is worth noting that tenants in receipt of benefits which currently cover their rent should not be impacted. However, a full review of those tenants who pay some or all of the rent and those tenants who are under-occupying their home (subject to the "bedroom tax") will be impacted. In addition to the housing benefit support, as part of the 2023/24 HRA budget a one-year hardship fund of £1 million is proposed to provide further opportunity to support those most impacted by the cost-of-living crisis and the outcome of the EqIA will be considered as part of developing how the hardship scheme is managed and administered. Work is progressing on the EqIA and any identified impacts will be reviewed and a suitable mitigation plan will be agreed with consideration to the additional support outlined in section 5 of this paper.
- 4.10 Other increases to charges include increased hours of pay and display car parking services in Heaton Park, a review of other parking charges, and an increase in charges for the pest control service. Minimal impacts were identified and appropriate consideration and mitigating actions have been identified.

5. Increased Investment and support for people experiencing poverty

- 5.1 Manchester City Council is committed to tackling poverty and inequity through the Making Manchester Fairer action plan which sets out Manchester's response to the Sir Michael Marmot report "Build Back Fairer in Greater Manchester: Health Equity and Dignified Lives". It sets out the City's whole system approach to addressing health inequalities across a five-year period 2022-27. The plan includes tackling poverty and debt as one of the most significant routes to improving health outcomes in Manchester. The newly adopted Manchester Anti-Poverty Strategy referenced in section 2.4 above sits under the Making Manchester Fairer Plan to support the delivery of these priority actions. It covers all life-stages and households and also includes a spatial focus.
- 5.2 Additional funding has been agreed to create a time-limited core team to drive delivery of both the Making Manchester Fairer Action Plan and the Anti-Poverty Strategy. This team will supplement existing Public Health resources allocated to this work and will be complemented by a virtual team drawn from

each of the council's directorate. In addition, there is a Making Manchester Fairer investment fund of £3 million to support two 'kickstarter' schemes, to improve health equity on an invest to save approach. The schemes prioritised for phase 1 are: (1) improving health equity for children and young people and (2) early help for adults experiencing multiple and complex disadvantage.

- 5.3 Conscious of the rapidly rising inflation and significant increases in energy & food costs, MCC undertook analysis in summer 2022 to identify households who would be particularly hard hit because they have very low discretionary spend. This analysis estimated there are around 40,000 households (21% of households in the city) with less than £30 of discretionary spend per month after paying for essentials such as food, fuel, housing and taxes), and a total of around 100,000 (46%) with less than £124 of discretionary spend per month. In response, the Council targeted the additional investment cost of living support in 11 wards of the city where support was most needed.
- 5.4 From 1 October 2022, the Cost-of-Living Advice line was set up to provide advice & guidance for benefits, help with rent, debt and bills advice, food support and getting online. Since it was launched, there have been 2157 calls to the advice line. There has been contact from every ward in the city and analysis of the contact with the Advice Line, shows a strong correlation between residents addresses and the 11 priority wards, where there are more households living in poverty. More women than men contact the advice line and there are more from the 26- to 39-year-old age group than any other age group.
- 5.5 The main reasons our residents contact the advice line are: help & advice with debt & paying bills (31%); benefits query /help with rents (27%) and request for food support (26%). They are offered financial advice & support, help with rent, and referred to other council services, the food team and external organisations who can offer expert help such as advice services.
- 5.6 During 2022/23 the Council has invested £1.8 million to provide additional help through funding and financial support for households. This funding is being used to:
- support the food response including grants to local organisations in the 11 priority wards,
 - provide additional support for community-based organisations and CHEM (Community Health Equity Manchester),
 - provide warm and welcoming spaces in libraries,
 - increase the numbers of residents supported with digital devices and data packages to tackle digital exclusion.
- 5.7 This support will be continued in the 2023-24 financial year with a further £3.55 million being invested to support this and wider activity. There is a further £2 million allocated to support those with or about to incur Council Tax debt, as well as additional support for the VSCE sector to support our vulnerable residents. In addition to MCC funding, there will be further funding from national Government for Household Support Fund of £12.9m, Council Tax Support Fund of £1.3m, Energy Bill Support Scheme: Alternative Funding

Grant of £2.3m with further funding expected for the Alternative Fuel Payment scheme, and the Holiday Activity Fund of £4.1m.

6.0 2023/24 Collective impact of proposals and ongoing management

- 6.1 The work that has been carried out on individual business cases and EqIAs has been reviewed to consider the collective impact of the options proposed and how the overall budget changes will impact on equalities, poverty and ultimately our residents. Given the minimal impact of the proposed service changes it is considered that the greatest impact will be the collective impact of increased Council Tax, rent, energy charges and other costs. The Council has been mindful of this and the analysis undertaken on cost-of-living impacts will support services to identify households requiring support and the range of financial support measures outlined in the paper (section 5) are intended to mitigate this. This work will be managed and reviewed through the Making Manchester Fairer Programme and the Anti-Poverty Strategy, as outlined above.
- 6.2 The budget setting process has also been further integrated with the Council's Corporate Plan, Business Plan and Service planning process. Each service has responsibility to review how the use of their budget as a whole, not just any savings proposed, might mitigate or positively impact on equality, anti-poverty, and how social value can be maximised. Analysis has started to map budget spend but this needs to be further developed through the service plans, which will detail how equalities considerations are embedded within the design and delivery of the services. The improved service plan template also incorporates financial planning and performance management information, ensuring these are more closely aligned. The individual Equality Impact Assessments will remain live documents, ensuring the mitigations and action plans are managed throughout the year.

7.0 Conclusion

- 7.1 Overall, the identified impact on equalities through the budget proposals is most significant in the increase in costs as it is recognised that some of the characteristic groups most likely to be impacted by this are also some of those most likely to be living in poverty. It is considered that the package of support provided and the detailed analysis to target provision will support the mitigation of this impact. However, it is imperative that this is closely monitored and managed throughout the year.
- 7.2 Further work will be completed by services in their service plans to demonstrate how equalities considerations are embedded within the design and delivery of the services, supported by good financial planning and performance management.
- 7.3 The ongoing review and implementation of the mitigation and action plans identified in the individual Equality Impact Assessments will be essential. Additionally, further understanding the impact of this on our diverse communities and those experiencing poverty will be considered within the

overall context of the Anti-Poverty Strategy evaluation. Specific intelligence will be provided to support this through the emerging communities of identity research work due to be complete in July 2023.

8.0 Recommendations

8.1 Members are requested to note the contents of this report.

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