

**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Scrutiny Committee – 11 January 2022

**Subject:** Budget Equality and Poverty Impact Assessments

**Report of:** Deputy Chief Executive and City Treasurer

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### **Summary**

This report provides details on how the approach to Equality Impact Assessments and Poverty Impact Assessments has developed over recent years and how these will be further embedded and strengthened in the Budget setting and business planning processes in the future. The report also covers the budget setting process for 2022/23 and the limited impact this will have on equalities and poverty.

### **Recommendations**

The Committee is requested to note the contents of this report

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**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. Improving conditions for Manchester residents by tackling our climate change ambitions, helps create a more equal platform. 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.

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 of the Our Manchester Strategy outcomes.</p> <p>As the city's economy recovers post COVID-19, it is critical that our residents with protected characteristics will benefit from the 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 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.

Manchester's support for families living in poverty, Economy Scrutiny Committee – 9 September 2021; Executive – 15 September 2021

Spending Review and Budget Update, Resources and Governance Scrutiny Committee – 9 November 2021

## **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 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.
- 1.2 Funding announcements in the government's spending review on 27 October and provisional local government finance settlement on 16 December confirmed that the circa £7.7 million savings and mitigations, as reported to Resources and Governance committee on 9 November, 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 which provides more detail on the Local Government Finance Settlement and budget position. The measures do not include any policy changes or measures that would require an EqIA.
- 1.3 This committee is asked to note the contents of this report, in particular the amendments being made to future years to ensure both Equality and Poverty impacts are considered during the development of any budget proposals.

## **2.0 Equality and poverty impact approach**

- 2.1 The completion of equality analyses, to assess the implications of the business planning process for protected groups, is now a well-established approach and work has been continuing to ensure it is fully embedded and used effectively. As previously reported to this committee, the Council has a two-tiered equality analysis methodology:
  - A brief Equality Relevance Assessment tool (ERA) helps services to assess whether there is any relevance to protected groups and / or the Equality Duty stemming from their functions, where this is not immediately clear.
  - Where there is a demonstrable relevance to equality issues, services are required to complete a more detailed Equality Impact Assessment (EqIA), to establish the nature of any impacts arising and to help inform what action can be taken to avoid a disadvantageous impact.
- 2.2 The standard 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 to add several characteristics to the template, in addition to those protected by the Equality Act 2010 (the Act). These additional characteristics 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 characteristics are:
  - Ex-armed forces personnel and their families
  - Children, families and other people living in poverty

- People with continuing health conditions
- People with caring responsibilities
- Trans people, non-binary people and other consideration of gender identity (a broader definition than 'gender reassignment' as protected by the Act)
- Homeless people
- Any other group identified as relevant to the activity (must specify)

2.3 The inclusion of poverty in the budget-related assessment template is particularly useful as it is recognised that some of the characteristic groups most likely to be impacted by budget reductions / service changes are also some of those most likely to be living in poverty. The EqlA 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 Family Poverty Assessment template. This tool assesses poverty in relation to place and service, as well as focusing on key groups, including workless families, people in receipt of Housing Benefit or Universal Credit and lone parents.

2.4 The Family Poverty Strategy and been recently reviewed, as detailed in Appendix One to Manchester's support for families living in poverty, Economy Scrutiny Committee – 9 September 2021 and Executive 15 September 2021. In response to this, a new Poverty Strategy for the city will be developed in 2022 to include all households; those with and without children, and people with protected characteristics, in line with the evidence presented.

### **3.0 2023/24 onwards: future approach**

3.1 The size of the budget gap over the medium term is significant and compounded by uncertainty around funding levels. The Council has developed a strategy to enable a balanced 2022/23 budget position. This enables a focus on the more sizeable challenge of balancing the budget over the medium term.

3.2 A programme of work will be put in place to develop a set of options to balance the budget in the next municipal year. At present the estimated budget gap is £37m in 2023/24, rising to c£58m by 2024/25. Initially the work will identify options for c£40m that can be achieved in 2023/24. £40m represents almost 8% of 2022/23 directorate budgets. Proposals will be supported by robust business cases. Importantly the business cases will include ERAs, EqlAs and Poverty Impact assessments which will be undertaken as the proposals are developed.

3.3 The budget setting process is also being further integrated with the Council's Corporate Plan and Business Planning process. The work that will be carried out on individual business cases will be complimented by work to consider the collective impact of the options proposed and how the overall budget changes will impact on equalities, poverty and ultimately our residents. Each Directorate will need to review how the use of their budget as a whole, not just that of budget savings/reductions, might mitigate or positively impact on equality, anti-poverty, and how social value can be maximised.

#### **4. 2022/23 Budget proposals**

- 4.1 As stated above, the budget proposals for 2022/23 are minimal and are largely budget adjustments which do not directly impact on service delivery. There is no direct impact on any protected characteristic and / or any aim of the general equality duty. Equality and Poverty impact Assessments will not be required.
- 4.2 The budget will include a proposal to increase Council Tax in line with the Spending Power assumptions set by central government. This increase in Council Tax payable will directly impact on all Manchester residents, especially those already, or at risk of, living in poverty. As part of the budget setting process, a full Equality and Poverty Impact Assessment is being carried out. This will consider the impact of the council tax increase and the range of support provided to Manchester residents including discretionary support schemes, as well as support to manage the payments and repay debt.

#### **5.0 Recommendations**

- 5.1 Members are requested to note the contents of this report