



Overview Equality Impact Assessment (EqIA)
on
Midlothian Council

Medium Term Financial Strategy
- 2022/23 Budget

4 February 2022



Equality Impact Assessment (EqIA) on Medium Term Financial Strategy

Budget 2022/23

<p>Medium Term Financial Strategy Proposals 2020/21 – 2022/23</p> <p>Budget 2022/23 Financial Proposals</p>	<p>As set out in the budget measures noted on the grid attached to the EqIA that accompanied the Medium Term Financial Proposals 2020/21 – 2022/23 previously presented to Council in June 2019. As updated for EQIA presented to Council on 11 February 2020 and on 23 February 2021.</p> <p>As included in the EqIA noted above – no new/additional policy budget proposals are proposed for 2022/23. Reflecting the impact of the Pandemic a number of the savings proposals previously identified for were removed or deferred.</p> <p>The conditions of the Scottish Government Grant Settlement for 2022/23 represents a small cash increase in core funding for Local Government of £20m with additional funding to support new service commitments. As these are Scottish Government policy driven the implication are set out in the Scottish Governments budget documentation, including. Scottish Budget 2022-23: Equality and Fairer Scotland Budget statement available here:-</p> <p>Equality and Fairer Scotland Budget Statement 2022-2023 - gov.scot (www.gov.scot)</p> <p>The core settlement represents a real terms reduction in spending power and whilst the measures recommended secure a balanced budget for 2022/23 they are reliant on significant of one off measures or one off funding sources. As such the underling opening budget gap for 2023/24, the extent to which recurring expenditure will exceed recurring income is estimated at £12 million.</p> <p>For the first time since 2007 Scottish Government have returned full autonomy to Council to determine Council tax levels locally. In previous years Government have made it a condition of grant settlements the Council Tax be frozen or increases limited to a set percentage.</p> <p>It is noted that Council Tax is a markedly regressive tax as it is not linked to income, with the poorest tenth of the population paying 8% of their income on council tax, while the next 50% pay 4-5% and the richest 40% paying 2-3%.</p> <p>The Local Government Finance Act 1992 (as amended) requires Councils to set its Council Tax and a balanced budget for the following financial year commencing 1 April by 11 March.</p>
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	<p>In setting the Council Tax that the income it raises needs to be sufficient to fund the balance of expenditure not otherwise funded from government grant, fees, reserves etc. It is therefore implicit in the legislation that Council Tax income funds the gap between other expected income and expenditure. Accordingly in determining a budget Council needs first to identify the proposed expenditure to determine the resulting gap that Council Tax needs to fund. If no other action is taken to redress any shortfall, then the Council Tax has to be set at a rate that will do so, otherwise the budget will not balance. As a consequence of the grant settlement the recommendations from Business Transformation Steering Group and in the absence of other measures the Council has no recourse other than to increase Council tax for 2022/23 to a Band D of £1,442.60.</p>
Directorate and service area	<p>No new service reduction measures are presented in respect of 2022/23. Uplifts in budget to meet new commitments are funded from Scottish Government and implementation will align to the Scottish Government's Equality Impact Assessment for these policy priorities.</p> <p>The report notes the implications for services in 2023/24 and beyond given the underlying budget gap. The decision on increasing Council Tax, so generating a recurring source of income , is presented in that context.</p>
Overview of Budget Investment through the Financial Strategy	<p>The core objective of the Medium Term Financial Strategy 2020/21 to 2022/23 is that of securing the Council's continued financial sustainability during what is expected to be an ongoing period of financial constraint coupled with continuing service demand pressures and increasing customer expectations. This Medium Term Financial Strategy is an important step-change and one which will provide greater certainty for the local communities we serve and our employees.</p> <p>The budget for 2022/23 presents no new policy budget reductions.</p>
Completion Date	1 February 2022
Lead officer	Gary Fairley

Aims and Objectives

The public sector continues to face significant service delivery challenges due to real terms reduced income streams, funding constraints, inflationary cost pressures and additional legislative burdens. The 2022/23 grant settlement results in a small cash increase in core grant of £20million nationally. This is a real term reduction in spending power when for example the budget included a provision for pay awards of 2.5%.

Demand for public services in Midlothian continues to increase as a consequence of changes in the size and profile of the county's population with greater numbers of young and older people, those in poor economic situations, and those with disabilities be they physical, sensory, mental health or learning disabilities. The Council must continue to prioritise expenditure on public services which prevent negative outcomes for those within its communities whilst securing maximum benefit from

all available resources.

Accordingly a corporate solution has been progressed to allow the 2022/23 budget to be balanced. This allows focus to turn to the next iteration of the Medium Term Financial Strategy required for the term of the next Council elected in May 2022, noting that significant savings are projected to be required over that term to secure financial balance and sustainability.

This will allow the Council to ensure that all within its communities, irrespective of protected characteristics, (age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation) as well as poor socio-economic circumstances, (The Fairer Scotland Duty), are not unlawfully discriminated against, and that equality of opportunity and advancement of good relations is upheld between those who have a protected characteristic and those who do not.

1. Does the proposed budget affect people?

Yes

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No

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2. What is/are the reason(s) for Council's proposed budget savings

There are no new savings proposals in the 2022/23 budget. Budget setting reflects a process of continual review of service provision as we seek to realign budgets and redesign services in response to the financial challenge. The legislation requires Council to set a Council Tax to secure a balanced budget and in the absence of other measures a Band D Council Tax of £1.442.60 is recommended. Full Council Tax reduction applies to taxpayers on a range of DWP benefits with partial reduction to others dependant on circumstances.

3. Impact

Which of the nine protected characteristics* will the proposed budget savings have an impact upon?

Equality Target Group*	Positive Impact	Negative Impact	Relevant evidence/ information
Age			<p>Overall Grid previously attached as appendix 2 to the Medium Term Financial Strategy 2020/21 – 2022/23 report presented to Council in June 2019.</p> <p>No new measures/policy proposals to reduce budgets are presented for the 2022/23 budget.</p> <p>The impact of the Council Tax increase is noted earlier</p>
Disability			
Gender Reassignment			
Marriage & Civil Partnership			
Pregnancy and maternity			
Race			
Religion or Belief			

Sex			
Sexual Orientation			

4. Overall Impact of the budget for 2022/23

Each policy budget proposal presented in the June 2019 EqlA was subjected to an Equality Impact Assessment. No new measures/policy budget proposals have been brought forward for consideration in this budget report for 2022/23.

It remains the case that in June 2019 no measures/proposal areas had any unlawful negative impact identified, and where possible reduction/removal of services will continue to be monitored to establish the actual affect to those within our communities.

5. How will the implementation of proposed Medium Term Financial Strategy 2020/21 – 2022/23 savings be communicated to those affected by any changes in 2022/23?

Information will be available on the Council's web site and communicated to affected businesses/customers/service users by letter, email, etc. In addition, information documents, as required, can and will be made available in different formats and languages on request. If an individual or group require this information in another language or format, then they should email equalities@midlothian.gov.uk or telephone the Equality, Diversity & Human Rights Officer on 0131 271 3658.

6. How will you monitor the impact of the changes proposed? When is the budget due to be reviewed?

Changes will be monitored through Pentana, the Council's performance management system, discussion groups and forums, fees and charges income, and various other methods detailed in the individual equality impact assessments.

7. Please use the space below to detail any other matters arising from the Equality Impact Assessment (EqIA) process.

Midlothian Council is committed to the ethos of the Equality Act 2010 and has considered this through equality impact assessment of all its policy budget proposals.

The Medium Term Financial Strategy 2020/21 – 2022/23 and resultant Budget for 2022/23 have, as far as the constraint on resources allows, been developed within the context of the Single Midlothian Plan, ensuring as far as possible that resources are directed towards the key priorities of reducing inequalities in learning, health and economic circumstance outcomes.

If available, mitigating actions for each of the measures previously agreed were outlined in the individual equality impact assessments. Where no mitigating actions are possible it is considered that any negative effects are not unlawful and are justifiable on a benchmarking/inflationary basis. The mitigating actions will form part of the implementation of changes when approved.

In addition, these actions underline the Council's commitment in its Midlothian Equality Plan 2021 – 2025 to tackle inequality and promote inclusion within the limitations of the resources available. These actions also will allow the Council to plan and deliver services which meet the needs of our diverse communities and respond to the changes ahead.