

# **Newcastle City Council: Integrating equality analysis into budget planning**

## **Background**

Newcastle is the 40th most deprived local authority in the country – more than 72,000 people live in areas that are among the 10 per cent most deprived. It has a population of just over 280,000 but within this 17.3 per cent are aged over 65. The number of people within this age group is projected to increase significantly by 2035.

Evidence shows that poor social and economic circumstances affect health throughout life. In Newcastle, this has resulted in a high proportion of older people with limiting long-term illnesses and disabilities. The number of people aged 65 and over predicted to be unable to manage at least one basic activity (such as going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed) on their own in 2012 is 8,147. This combination of an ageing population experiencing relatively high levels of limiting disability as a result of deprivation is one of the major equality challenges facing us.

Our commitment to improving equality is in part reflected by our achievement of excellent status under EFLG in March 2011. However, with ever-reducing resources our approach has been widened to include a commitment to applying principles of fairness and social justice in shaping our overall approach to tackling inequalities.

## **Summary**

In autumn 2011, we were faced with budget savings that were going to impact on frontline services, including potential impacts on groups with protected characteristics, with in some cases limited scope to counter that impact. The council had already put in place a new approach to engagement and consultation called 'Let's Talk Newcastle', and this was giving us feedback that people in general appreciated the need for the council to apply its resources to protecting vulnerable people.

We acknowledged the need to give service managers stronger support in identifying and looking at how to mitigate potential equality impacts. We also needed to change the way we applied our thinking organisationally, so that managers felt able to identify potential serious impacts arising from budget proposals for which there would be little or no possible mitigation.

This started with explicit ownership at cabinet and corporate management team (CMT) level, supported by a network of directorate and corporate specialists. Sessions were held with senior managers to discuss emerging issues and to ensure that additional support was available when further advice or guidance was needed.

We also improved guidance and the standard template used to capture potential impacts, and strengthened our quality assurance process to ensure that assessments were robust and consistent. This helped us identify and address any cross-cutting and cumulative impacts.

## Who is involved?

Cabinet members

DMTs and senior managers

Corporate support, lead by the Equality and Access Advisor

CMT

Directorate support officers

Communications and Marketing and our Communities Service, who jointly lead the 'Let's Talk Newcastle' framework

## Challenges

Newcastle has long had a culture of 'no problem without a solution', and this had applied to the approach taken with our Equality Impact and Needs Assessment (EINA) process. While generally positive, in that service managers were keen to identify means of mitigating or removing potential negative impacts, it also resulted in potential impacts sometimes being understated.

Our approach to efficiency and transformation had enabled us to deliver the vast majority of budget savings up to 2010 with little impact on frontline services. But for the 2012/13 budget it was clear that there would be some unavoidable reductions in frontline services, including potential impacts on services provided for groups who are protected under the Equality Act.

The importance of equality analysis and proper consultation and engagement was reinforced by a series of high-profile legal judgments. This enabled us to use practical examples of how equality analysis could be used to inform and support thinking when making difficult decisions. This helped us to engage with managers in providing advice and support by changing the perception of the 'EINA' process from being a 'paper exercise' to one of value adding evidence based analysis to inform the development of the budget proposals.

We also provided managers with a comprehensive evidence base to help inform their analysis of likely impacts. The Newcastle Future Needs Assessment brings together all the information we have about the people of the city so that we can more fully appreciate the multiple factors that impact on people's lives, and how different groups and communities rely on the support of others, including our services.

'Let's Talk Newcastle' included an event called 'The council pound', where a focus group of residents gave us their views on the relative importance of particular groups of services in the context of reducing resources. Previous surveys tended to give greater prominence to environmental issues such as potholes and litter. When an explanation of what each service did for people was given, services that helped care for vulnerable people were agreed to be the most important by the group.

Our impact assessment form and guidance were revised, with the form being strengthened to signpost to managers how they should log the evidence for their decisions and the impacts they could have. Support from directorate and corporate equality, social inclusion and community cohesion specialists was made available. Quality assurance was also strengthened to help manage the risks of potential legal challenge inherent in budget reduction decisions. This helped us identify and manage cross-cutting and cumulative impacts on particular groups.

There were some difficulties in implementing this new approach. Timescales for formulating the budget were very compressed, and this resulted in impact assessment and quality assurance often being carried out towards the end of the period. The required culture change was also not fully achieved, with some

managers still reluctant to acknowledge that service users might be negatively affected, or that we were not able fully to mitigate those impacts.

### **Outcomes**

Despite these difficulties, we were able to produce a comprehensive and robust set of EINAs to support our budget, with a summary of the key issues included as one of the main elements of the suite of budget reports.

[Budget draft proposals and reports](#) – On Newcastle City Council website

It also included an introduction to the wider context of social justice and ‘fairness’ – it was clear that we needed to look at the equality impacts of our decisions in a wider context than the specific requirements of the Equality Act.

### **Learning**

Specific improvements to the process included:

- allowing enough time for consultation feedback to be properly and demonstrably taken into account – by making provision for feedback which comes in late or at the last minute to be fully assessed.
- ensuring that we use evidence from equality analysis at the outset of formulating budget proposals rather than when proposals have been agreed
- ensuring that we identify and work on assessing cross-cutting issues much earlier because this aspect of the impact assessment process is more complex and can throw up questions that need some time to answer properly.

### **Next steps**

An integrated impact assessment (IIA) template has been developed to support the council to make fair financial decisions. This covers not only equality, social inclusion and community cohesion impacts, but human rights, socio-economic, health, community safety and environmental sustainability impacts. This approach is now being applied to the emerging proposals for our 2013 to 2016 budget.

The analysis of information and evidence undertaken as part of this process will help us explain how decisions have been made to the people affected by them, and will allow us to put in place measures to help address any unfairness. Our approach will also enable us to consider any cumulative or emerging cross-cutting impacts at the outset of the process. This will help to avoid any groups being unduly affected by the cumulative effects of different decisions.

### **Contact**

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