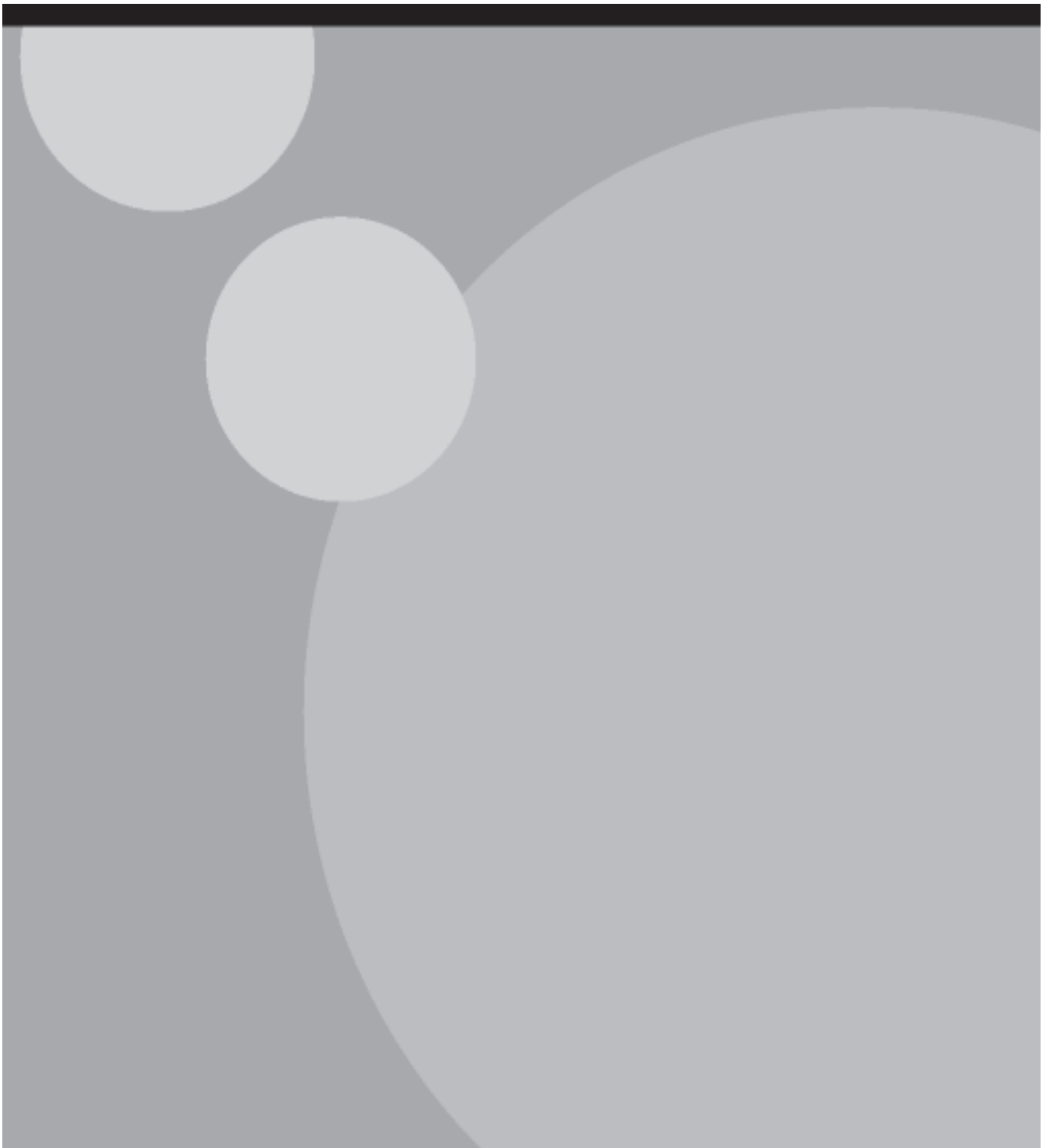




Spending Review 2010: Equality Impact Assessment

Completion of the Working Neighbourhoods Fund



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DCLG Equality Impact Assessment - Initial Screening Form

1. Name of the current or proposed new or changed, policy, strategy, procedure, project or service being assessed:

Completion of Working Neighbourhoods Fund

2. Person and team responsible for completing the Equality Impact Assessment:

Roger Wilshaw, Local Government and Economic Growth Directorate

3. What is the main aim or purpose of the current or proposed new or changed, policy, strategy, procedure, project or service and what are the intended outcomes?

Tackling Britain's record deficit is the Coalition Government's top priority – the consequences of not acting could be serious. The scale of the deficit has required tough choices to be made about how taxpayer's money is allocated.

The Spending Review sets out how the Government will carry out Britain's unavoidable deficit reduction plan. This is an urgent priority to secure economic stability, at a time of continuing uncertainty in the global economy, and put Britain's public services and welfare system on a sustainable long term footing.

The three-year Working Neighbourhoods Fund was due to come to end in March 2011. Like all other funding streams it is subject to review as part of spending review processes.

The Working Neighbourhoods Fund started in April 2008 with a £1.5bn allocation over the three-year CSR07 period. Its aim was to provide additional support to 61 local authorities in England with high levels of worklessness and low levels of skills and enterprise.

Although the challenges facing our nation are significant, the Government is committed to regeneration and economic growth. Our priorities are growing the economy, reducing the public deficit and building a bigger society. In doing so, we want to promote local economic growth, fairness, and get Britain working again.

The Coalition government recognises that the needs and priorities of local communities are extremely place-specific and are best understood and addressed locally, and are therefore providing local authorities with increased flexibility and freedom so that they can prioritise and allocate funding in ways which best meet the needs of local communities. Local authorities may wish to continue with Fund-type activities through this increased flexibility.

4. What existing sources of evidence will you use to help you identify the likely impacts on different groups of people?

We have looked at a range of existing sources of evidence to determine some conclusions on its likely impact. These include:

- Index of Multiple Deprivation model 2007
- The Annual Population Survey and demographic profiles of Fund areas
- Nomis Official Labour Market Statistics
- The Working Neighbourhoods Fund Scoping Study (Feb 2010) of the conditions in Fund areas and use of the Fund
- The recently completed Local Improvement Adviser's study into the Working Neighbourhood Fund (not yet published)
- The evaluation of the National Strategy for Neighbourhood Renewal (March 2010)
- The Houghton Review into Tackling Worklessness.

Local case study evidence where available, however, provides an indication of the types of interventions that have been delivered to various equality target groups. For example:

- Personal development, training and education and support systems have been used to assist women, including those from minority groups
- Business start up help has been provided for people with health limitations or disabilities to assist them in returning to the labour market; and
- Outreach employment services have been delivered to assist members of the BAME population.

Population statistics provide a demographic profile of Working Neighbourhoods Fund areas and are helpful in forming a view of the likely beneficiaries rather than the actual impact on these groups.

5. Are there gaps in evidence that make it difficult or impossible to form an opinion on how the existing or proposed policy, strategy, procedure, project or service does or might affect different groups of people? If so what are the gaps in the information and how and when do you plan to collect additional information?

As part of a non-ring fenced funding stream, the Government does not require monitoring data from local authorities on the use of the fund. There has therefore been no direct evidence from local authorities on the impact that the fund may have had on any of the equality target groups.

The sources investigated do not go as far as providing information on older people or sexual orientation, and the evidence on women tends to focus on women from BAME backgrounds rather than women as a whole group. Further research into the possible differential impact on these remaining groups will be carried out following the development of other policy areas e.g. Regional Growth Fund/Local Enterprise Partnerships.

6. Having analysed the initial and additional sources of information including feedback from any consultation, is there any evidence that the policy, strategy, procedure, project or service has or is likely to have an adverse equality impact on, and/or that there are known or anticipated different needs or requirements, for any of these different groups of people?

Evidence shows that people from ethnic minorities tend to be over-represented in deprived areas,¹ and research suggests that deprived areas are also often characterised by having a high proportion of individuals suffering from a limiting long term illness and a younger age profile.²

The Equality Impact Assessment which accompanied the regeneration framework: *Transforming Places: Changing Lives* identified that 50 per cent of BAME live in deprived areas, and that there are also significantly higher levels of disability in deprived areas compared to the national average.

The Working Neighbourhoods Fund evolved from an earlier fund, the Neighbourhood Renewal Fund which was, like the Working Neighbourhoods Fund, based around the delivery of neighbourhood based interventions. Although the Working Neighbourhoods Fund and Neighbourhood Renewal Fund have different objectives within the neighbourhood and local setting, the National Evaluation of the National Strategy for Neighbourhood Renewal and Neighbourhood Renewal Fund can be used to provide some comparative evidence on the likely impact of Working Neighbourhoods Fund.

The National Strategy for Neighbourhood Renewal evaluation showed that there was a consistent improvement against key worklessness indicators in those local authorities in receipt of Neighbourhood Renewal Fund funding.³

Given the similarities between Working Neighbourhoods Fund and Neighbourhood Renewal Fund, it is likely that Working Neighbourhoods Fund will have had a comparable positive impact within its own areas. Equally, as evidence suggests that certain equality groups are over-represented in deprived areas, it is reasonable to conclude that these groups would have benefited from these interventions.

¹ Tackling Worklessness: A Review of the contribution and role of English local authorities and partnerships", Final Report, Councillor Stephen Houghton, Claire Dove, Iqbal Wahhab, March 2009

² Evaluation of the National Strategy for Neighbourhood Renewal, Final Report and Annexes, Amion Consulting, March 2010

³ Evaluation of the National Strategy for Neighbourhood Renewal, Final Report and Annexes, Amion Consulting, March 2010

However, we also know that there was a widening of the gap in the employment rate in those areas which received the Fund and those areas that didn't.⁴ It should also be noted that the Departmental Strategic Objective target 3.7 on employment in deprived areas was "at risk".⁵

7. Is a full Equality Impact Assessment Required?
(If no, please explain why not)

As the evidence suggests that the completion of the Fund is likely to have differential impacts on specific groups within deprived communities, it is recommended that a full Equality Impact Assessment is carried out.

⁴ www.communities.gov.uk/publications/corporate/statistics/dso3-7

⁵ www.communities.gov.uk/news/newsroom/1662256

DCLG Full Equality Impact Assessment

The Department for Communities and Local Government has not been able to conclude a final Equality Impact Assessment for the Working Neighbourhood Fund at this stage. This document reflects our current assessment but more work will be needed to finalise the detail, particularly around the action plan for mitigation, as wider policy is further developed between government departments (such as the Department of Work and Pensions) following the publication of the Comprehensive Spending Review.

The Department aims to complete this further work as soon as is reasonably possible and will publish its conclusions in due course.

1. Which group(s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

The screening of the Working Neighbourhoods Fund and the evidence gathered, suggests that when the programme finishes in March 2011 it could have the following differential impacts upon the target groups in some Fund areas:

- BAME groups – reduced access to outreach employment support services
- Women (particularly those from ethnic minorities) – reduced access to personalised support focusing on training, education and support systems
- Disabled – possible disadvantage due to reduction in enterprise support targeted at people with disabilities.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

It may not always be possible to mitigate the impacts within a single policy while delivering savings. However, savings in one area allow for higher spending elsewhere, potentially on the same groups of people. It is important therefore to consider the overall set of choices made in the Spending Review, rather than simply each individual decision, when considering mitigations.

We have made sure that no council will see their overall spending power decrease by more than 8.9 per cent in 2011-12 or 2012-13. We have done this by making available a transition grant in those years.

The new **Work Programme** will help to reduce the need for the type of services provided through the Working Neighbourhoods Fund. The Work Programme will provide **greater freedom for suppliers to give people the support they need**, focusing on helping people into sustained jobs and paying delivery partners first and foremost by the results they achieve, not the process they go through. The Work Programme is scheduled to be in place nationally by summer 2011.

The drivers of deprivation, economic decline and social exclusion are place-specific. The circumstances and challenges faced by deprived neighbourhoods in Lancashire are very different to those of the poorest London boroughs. The **challenges are therefore best understood and addressed locally**. In addition, **communities are strongest when everyone has a free and fair say** in the decisions that affect them.

We are therefore providing communities and councils with a powerful 'toolkit' they can use to drive their area forward. We are:

- giving local areas **greater control over what happens locally** – local enterprise partnerships, neighbourhood planning, community rights, the power of competence, and changes to the Sustainable Communities Act; and,
- giving local authorities **greater ability to secure and channel resources** – de-ringfencing of local budgets, Tax Increment Financing, New Homes Bonus, community budgets, modifications to the Community Infrastructure Levy, and considering local business rate retention through the Local Government Resource Review; and,
- giving local areas greater ability to **attract private and social investment and growth** – changes to Planning, for example the use of Local Development Orders, and Discretionary Business Rate Discounts; and,
- enabling local authorities to **get assistance**, through reshaping the Homes and Communities Agency and the Vanguard Communities programme; and,

The majority of this 'toolkit' of policies and programmes will be available for use anywhere in the country. Alongside this, the Government may at times be able to offer additional **transitional support to areas facing particular challenges**, for example to help them make use of the available tools. For example, the **Regional Growth Fund** will encourage private sector enterprise, create sustainable private sector jobs and help places currently reliant upon the public sector make the transition to sustainable private sector led growth. We will also encourage alignment of the Regional Growth Fund with the **European Regional Development Fund**.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

We will consider the need for further engagement with BAME groups, women and the disabled as soon as is reasonably possible in line with further specific policy, e.g. Regional Growth Fund/Local Enterprise Partnership, as part of further development of this impact assessment.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service? Please set out the basis on which you justify making no adjustments.

The scale of the deficit has required tough choices to be made about how taxpayer's money is allocated.

The Spending Review sets out how the Coalition Government will carry out Britain's unavoidable deficit reduction plan. This is an urgent priority to secure economic stability, at a time of continuing uncertainty in the global economy, and put Britain's public services and welfare system on a sustainable long term footing. The Coalition Government inherited one of the most challenging fiscal positions in the world. Last year, Britain's deficit was the largest in its peacetime history – the state borrowed one pound for every four it spent. The UK currently spends £43bn on debt interest, which is more than it spends on schools in England. As international bodies such as the International Monetary Fund and Organisation for Economic Cooperation and Development have noted, reducing the deficit is a necessary precondition for sustained economic growth. Failure to take action now would put recovery at risk and place an unfair burden on future generations.

In order to tackle the budget deficit all Government departments are being required to work within a very tight fiscal settlement. Within this context the Government believes that local civic and business leaders should be freed up to tackle their own priorities and this will be achieved by simplifying grant regimes to allow place-based budgeting to address areas with multiple needs more effectively.

As part of the Spending Review, local authorities will have greater freedom and flexibility to make local spending decisions according to local priorities – if a local authority wishes to continue with the type of activities previously funded through the Fund, then they can do so. Furthermore, in making funding decisions, local authorities will need to carry out their own equality impact assessment. There is already a legal requirement for local authorities, as “public bodies” within the meaning of the equality legislation, to carry out equality impact assessments on the effect their policies and practices will have on equality in relation to race, disability, gender, sexual orientation, religion or belief, and age. The Equality Act 2010 will, when the relevant provisions are in force (expected to be in April 2011), extend this requirement to the additional “protected characteristics” of gender reassignment and marriage and civil partnership.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place.

Policy proposals for support for the most vulnerable and regeneration have been developed as part of the spending review. Monitoring arrangements will be taken into consideration as part of any future development of specific policies e.g. Regional Growth Fund/Local Enterprise Partnership.

6. Sign off

Name of Person Signing Off the Full Equality Impact Assessment: Andrew Campbell

Role: Director

Date: 06 November 2010

Full Equality Impact Assessment - Action Plan

Actions taken or proposed	Rationale for the Action	Beneficiaries of the Action	Timing	Responsibility
Changes made: Changes that have been made to policy as a result of the Equality Impact Assessment.				
Mitigation: For areas where a policy may have a differential impact on certain groups, what arrangements are in place or proposed to mitigate these effects?				
Justification: For areas where a policy may impact negatively (but not illegally) on certain groups but mitigation is not possible (e.g. an overriding societal driver) there needs to be a strategy for handling issues of unfairness.				
Opportunities: Please state actions designed to maximise positive effects, i.e. opportunities identified for: promoting equality, good relations or knowledge about groups; increasing civic & democratic participation; or addressing inequalities.				
Monitor: how will you monitor the impact and effectiveness of the new policy?				
Publish: give details of how the results of the EqIA will be published.				