

Zero-based Budget Review – Terms of Reference

Purpose

A zero-based review of the Equality and Human Rights Commission (EHRC)'s budget to identify the necessary funding for the EHRC to fulfil properly its functions.

Objective

To provide options and recommendations on the exercise of the EHRC's equality and human rights functions to inform the Secretary of State for Culture, Media and Sport and Minister for Women and Equalities' future funding decisions, within the indicative Spending Review period allocations (to 2014/15). This is with a view to ensuring the organisation is delivering value for money.

The review will produce a report for Ministers (but where appropriate could be used to inform Government's consideration of spending decisions) setting out a range of resourcing options for the activities the EHRC could undertake to deliver its functions effectively, and additional activities to support the delivery of the Government's Equality Strategy

Subsequent decisions on the EHRC's funding will be made by the Secretary of State for Culture, Media and Sport and Minister for Women and Equalities, in accordance with paragraph 38 of Schedule 1 to the Equality Act 2006.

Scope

This review will:

- a) Examine how the EHRC's budget and other resources are presently used to deliver its functions, and the costs associated with specific activities in support of those functions.
- b) Examine the EHRC's planned activities, and its target operating model, and the associated costs and other resources needed to deliver these activities.
- c) Assess i) which of the above activities are necessary for the EHRC to undertake to deliver its equality and human rights functions, ii) whether its functions are being properly delivered by its planned activities, and iii) whether there are additional activities that it would be desirable for the EHRC to undertake, taking account of:
 - i. the budgetary constraints;
 - ii. EU legal requirements and international obligations;
 - iii. EHRC's legal duties, powers and territorial extent;
 - iv. EHRC's role/ functions as an 'A' rated National Human Rights Institution;
 - v. the wider institutional landscape within which the EHRC operates, including what functions are or might be carried out by the Government Equalities Office (GEO) and other bodies or vice versa (i.e. EHRC take on activities presently carried out by GEO); and

- vi. the most cost-effective delivery model for each activity/combination of activities, taking account of opportunities for rationalisation.
- d) Identify a range of options for different combinations and scales of activity that could be undertaken by the EHRC to deliver its equality and human rights functions (including the additional activities identified at 'C' above), identifying the necessary resource (budget, staffing and skills) and infrastructure to support these different options, within the indicative Spending Review settlement.

Parameters

The following factors will be considered and given due weight through the review and when preparing recommendations:

- The budgetary position, in light of wider financial constraints, and Ministers' priorities;
- The duties and powers conferred on the EHRC by the Equality Act 2006;
- EHRC's functions as an accredited 'A' status National Human Rights Institution;
- Paragraph 38 of Schedule 1 to the Equality Act 2006 which states that: *The Secretary of State shall pay to the Commission such sums as appear to the Secretary of State reasonably sufficient for the purpose of enabling the Commission to perform its functions;* and
- Paragraph 42(3) of Schedule 1 to the Equality Act 2006 which provides that the Secretary of State shall have regard to the desirability of ensuring that the Commission is under as few constraints as reasonably possible in determining its activities, timetables and priorities.

The costs of this review will be met from within existing budgets.

Roles and responsibilities

The review will be collaborative, comprising of officials from EHRC, GEO, DCMS and Ministry of Justice. It will seek views and input from the devolved administrations, and OGDs with an interest (in particular DCLG and DWP) at key stages and seek their views on the emerging findings.

Sponsors

The review will be sponsored jointly by Jonathan Rees, Director General (GEO), and Mark Hammond, Chief Executive (EHRC). It will be chaired by Samantha Foley, Finance and Commercial Director at the Department for Culture, Media and Sport

Lead official

The Review will be co-ordinated on a day-to-day basis by a GEO official, who will project manage the process, and work in partnership with the EHRC, the GEO and

the Justice Policy Group at Ministry of Justice, to gather and analyse the data, set out the options and make recommendations. The co-ordinator will report to the Chair.

Officials in GEO and the EHRC will provide and process information to support the co-ordinator.

Review Group

Samantha Foley, Finance and Commercial Director at the Department for Culture, Media and Sport will chair the review group, which will be made up of the co-sponsors, plus senior officials in GEO, the Ministry of Justice and the EHRC (including a Commissioner) and an independent/ a non-Executive Director at DCMS.

The review group will scrutinise and challenge the work produced.

Method for carrying out the review and preparing the Report

The approach to the review will be to:

Stage 1 – Map the institutional landscape in which the EHRC operates – building a high level picture of the overall size and scale of publicly-funded activity in support of equality and human rights in Great Britain. This stage should capture key partners' knowledge of the current landscape rather than be an extensive piece of research.

Stage 2 – Examine the EHRC's current spending profile and proposed operating model and associated spending profile:

- Identify the activities required to ensure compliance with EU requirements and safeguard EHRC's status as an 'A' rated National Human Rights Institution;
- Identify i) the cost and resources used for the EHRC's activities in 2010-11 ii) the planned cost and resources envisaged to deliver the above activities in 2014-15 post the implementation of the EHRC's new operating model; and
- Identify whether and how much money is spent on wider equality and human rights activities; to what extent are these activities that the EHRC is uniquely well-placed to do, because of its statutory powers, expertise and strategic partnerships; and are there any clear gaps in activity that could/should be done in support of the Government's Equality Strategy and human rights agenda.

Stage 3 - Assess what further actions, programmes and activities the EHRC could undertake to support delivery of the Government's Equality Strategy, including whether it is better placed to undertake any work currently done by the GEO or other organisations.

Stage 4 - Meeting of the review group to scrutinise and challenge initial findings, particularly around necessary/desirable activities.

Stage 5 - Identify options - taking account of the above, producing a set of options for different combinations and scales of activity to be carried out by EHRC, and the necessary resource (budget, staffing and skills) and infrastructure to support this.

Stage 6 - Meeting of the review group to scrutinise and challenge the options identified.

Stage 7 - Report shared with EHRC's Board for comment/observation.

Stage 8 - Produce a report for Ministers, by November 2012, including a full options appraisal:

1. providing an indicative cost/benefit analysis of a range of delivery options, including indicative implementation timeframes, scope for implications for 2012/13 and beyond and indicative transitional costs where necessary;
2. identifying where further or wider evidence may be needed to inform decisions (such as to more clearly understand the likely effects on equality for different groups); and
3. in the event of differing views on a particular option, the arguments for and against an option will be put forward, to enable Ministers to make an informed decision.

Once Ministers have decided on which option/s they wish to pursue, GEO and DCMS will work with the EHRC to develop and agree detailed implementation plans, taking account of financial, contractual, staffing and timing considerations. In particular, the GEO and the EHRC will work together to assess the implications for the Board-approved 2012/13 Business Plan and Budget and feasibility of making changes to these in year.