



HM Treasury

Impact on equalities:

analysis to accompany Spending
Round 2013

June 2013



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Introduction

1.1 The Government remains committed to creating a fairer society and to the promotion of social mobility. The Government is therefore taking difficult decisions in the fairest way possible and consistent with the promotion of equal opportunities. It is protecting services for the most vulnerable and focusing resources where they are most needed and most effective. Throughout the Spending Round, the Government has taken care to consider the impacts of the tough decisions that have been made on groups with particular needs in society.

1.2 At the last Spending Review in 2010, this Government became the first to publish analysis of how its decisions impacted on different groups. This document does the same, setting out how HM Treasury has fulfilled its responsibilities under the Equality Act 2010, detailing the process that the Government has followed and publishing assessments of the impacts.

1.3 Spending Round 2013 is underpinned by the Government's commitment to continue and renew its programme of radical reforms to public services in order to deliver better outcomes at a lower cost, and by its commitment to fairness, including through the promotion of equal opportunities.

1.4 Just under three years ago, Spending Review 2010 set out how the Government planned to carry out Britain's deficit reduction plan. Spending on health, schools and overseas aid was protected by reducing welfare costs, cutting wasteful spending and making other savings.

1.5 This Spending Round continues those protections, safeguarding spending on key universal services in this country and support for the poorest overseas. The Government remains committed to the promotion of a society in which there is high social mobility; the vulnerable are looked after; everyone makes a fair contribution in tax and takes their fair share of benefits; and those with the broadest shoulders continue to make the biggest contribution to fiscal consolidation.

HM Treasury's approach to equalities since 2010

1.6 HM Treasury has taken care to ensure that it fulfils its responsibilities under the Equality Act 2010, including the need to recognise the impact that its decisions have on nine protected groups: gender, race, disability, religion and other beliefs, gender reassignment, age, pregnancy and maternity, sexual orientation, and for the purposes of the requirement not to discriminate, marriage and civil partnership.¹

1.7 Since 2010, HM Treasury has continued to work with departments to fulfil its responsibilities. In preparation for the Spending Round, departments provided assessments of equalities impacts of their key areas of spending to HM Treasury.

¹ Since the previous Spending Review another six 'protected characteristics' have been added to this original three. The additions are religion and other belief, gender reassignment, age; pregnancy and maternity, sexual orientation, and; for purposes of the requirement not to discriminate, marriage and civil partnership. The previous duties (covering gender, race and disability) under the Sex Discrimination Act 1975, the Race Relations Act 1976, and the Disability Discrimination Act 1995 were consolidated in the Equality Act 2010. The public sector equality duty is set out in section 149 of the 2010 Act; the new, additional protected characteristics can be found at section 4 of the 2010 Act.

1.8 In advance of the Spending Round, an equalities expert round table event was hosted by the Chief Secretary to the Treasury and Jo Swinson MP, Minister for Women and Equalities. The round table gave ministers the opportunity to hear views from senior representatives of equalities groups at an early stage of the Spending Round process and reflected the Government's determination to make fair decisions, both generally and in the Spending Round specifically.

1.9 HM Treasury's overall approach continues to build on the principles set out in the published Single Equality Scheme.²

Spending Round 2013

1.10 Throughout the Spending Round 2013, HM Treasury has looked closely at the impact that its decisions may have on different groups in society. Government departments will continue to make more detailed decisions on how to allocate budgets within their Spending Round allocations for 2015-16 and to consider the impacts of those decisions on specific equality groups.

1.11 In early 2013, HM Treasury asked Government departments to update and supplement their equalities returns. Assessments of the likely equalities impacts (some of them cumulative) were then made available to ministers at relevant points throughout the Spending Round process to inform the decisions that were being made about budgets for 2015-16. Chapter 2 of this document gives an assessment of the decisions, setting out where groups with protected characteristics may be particularly impacted by departmental budget allocations set in the Spending Round.

1.12 These assessments are indicative, not definitive, statements on the final impact on the nine protected groups. There are two key reasons for this:

- this analysis focuses on the input of resources for particular areas and specific groups – it is not an assessment of the service they receive or the outcomes they experience as a result. Reducing departmental spending will not necessarily mean increased inequalities if the same services can be provided more efficiently, or if resources are better targeted to the groups that are most in need of them; and
- the decisions that departments make as a result of the Spending Round may change the way they allocate resources between different policy areas. The likely impacts identified here may be mitigated by these decisions.

Next steps

1.13 The Government Equalities Office (GEO) will continue to provide support and guidance to departments as they continue to assess the impact of their decisions on groups with particular needs.

1.14 The Equality and Human Rights Commission (EHRC) also has a role to play in ensuring that public authorities take account of equalities when making the decisions that will follow this Spending Round. HM Treasury and other Government departments will continue to work closely with EHRC.

²Available at http://webarchive.nationalarchives.gov.uk/+/http://www.hm-treasury.gov.uk/d/singleequalityscheme_2009-11.pdf

2

Impact on equalities

2.1 Spending Round 2013 makes tough choices about how best to prioritise investment and spending. This chapter sets out the high level impacts of the Spending Round on groups with protected characteristics, using the approach set out in Chapter 1.

2.2 Changes to public spending often have equalities impacts. Overall, the protection of the health and schools budgets in real terms has particularly high benefits for groups with specific needs:

- protecting the health budget in real terms will benefit women (especially those who use maternity services), older people and those with a disability, as well as those who are undergoing or have undergone a gender reassignment process. Over their lifetimes, people with these protected characteristics tend to be proportionately higher users of health services. Funding for health will increase in real terms meaning that everyone can continue to receive high quality services free at the point of use; and
- protecting the schools budget in real terms will enable schools to continue to improve the life chances and future prosperity of all children. The Pupil Premium, which provides extra funding for disadvantaged pupils, is protected in real terms and will support schools to continue to close the gap in attainment between children from higher- and lower-income households, including students from some ethnic minorities and those with disabilities.

2.3 In order to reduce the deficit while maintaining excellent public services, tough choices about savings need to be made. When making these changes the Government has considered the risk of impacts on groups with particular needs. The Government is aware of the risk that reducing spending may have negative consequences for groups of people with protected characteristics. Where possible, it has introduced measures that mitigate these impacts.

2.4 The groups facing the most significant impacts as a result of decisions taken in the Spending Round are those distinguished by gender, age, race and disability. The returns provided by departments highlighted fewer budget level impacts on the other five protected groups: religion, pregnancy and maternity, sexual orientation, marriage and civil partnership, and gender reassignment. Where significant, they were taken into account in the Spending Round. Government departments are fully aware of potential impacts on these groups and take them into account in their decisions.

Gender

2.5 The Government is committed to ensuring that people are not disadvantaged because of their gender.

2.6 This includes a focus on reducing the barriers that prevent women from returning to work. The introduction of tax-free childcare, announced in Budget 2013 is expected to help parents, particularly women, return to work after parental leave. The change will be phased in from autumn 2015, and will support working families and single parents by providing up to 20 per

cent of childcare costs, up to £1,200 per child each year for working parents of children under five, and in time under twelve.

2.7 In this Spending Round, the Government has also made decisions which protect access to services more likely to be used by women. For instance, the Spending Round provides an additional £2 billion from the NHS for local health and social care services, which will enable local authorities to maintain access to adult social care. This will form part of the £3.8 billion pooled budget for health and social care, which will be shared between local authorities and the NHS to improve outcomes and deliver better services more efficiently.

Race

2.8 Decisions made in this Spending Round, particularly the real terms protection to the schools budget, will have positive implications for people from ethnic minorities.

2.9 Protecting the schools budget, including the real terms protection of the Pupil Premium, is expected to benefit pupils from ethnic minorities and with disabilities. The calculation of the premium is linked to entitlement to Free School Meals (FSM), and pupils from ethnic minorities and with disabilities are more likely to be entitled to FSM.

Age

2.10 The Government is committed to ensuring that nobody is discriminated against or disadvantaged because of their age.

2.11 Older people account for around half of the expenditure on adult social care. As a result they will benefit disproportionately from the £2 billion additional funding provided through the NHS as part of a pooled budget for health and social care to improve future health and social care outcomes and to intervene earlier so that older people can remain healthy and independent at home, avoiding unnecessary hospital admissions.

2.12 Separately from that additional funding and with the longer term in mind, Spending Round 2013 provides £335 million in 2015-16 to help local authorities prepare for the Government's reforms to social care funding, including the introduction of a cap on care costs, which will benefit older people and disabled people by ensuring no-one will face high and unpredictable social care costs and no-one will be forced to sell their home in their lifetime to pay for residential care. Women will benefit most from these reforms.

2.13 In order to protect spending in some areas, savings need to be made elsewhere. Savings will be made from spending on adult skills. 19 to 24 year olds are proportionally over-represented amongst the people who benefit from the adult skills budget. However, within the adult skills budget the funding for apprenticeships will be maintained in real terms for adults over 19.

2.14 Funding for 16-19 education and apprenticeships is being reformed in order to improve value for money. Alongside implementing these reforms the sector will be expected to make efficiencies. The Department for Education will consider the impact of these on young people.

Disability

2.15 The Government has taken into account the needs of disabled people in making choices in the Spending Round.

2.16 The Government remains committed to supporting disabled people who are out of work to move into employment, and to offering the right support to enable them to stay in jobs. The Department for Work and Pensions' budget includes funding for disability employment

programmes and wider support, and the department will consider how best to allocate this funding.

2.17 The Government is announcing further investment in mental health services – so that more adults and young people have access to clinically proven psychological therapies, and that every accident and emergency department will have constant access to mental health professionals to ensure people with mental health problems get the best possible care. This will benefit people with mental health problems, including those with disabilities.

2.18 People with disabilities make above-average use of health services. National NHS funding formulae make adjustments to account for this difference, and so this along with the decision to protect health funding in real terms means that this protected group will continue to benefit.

2.19 The Government is also driving reforms to services for disabled people. The Department for Education's budget includes continued funding for reforming service provision for children and young people with special educational needs. These reforms will ensure that services are better integrated, and will introduce personal budgets to give families and young people more choice and control over the services they receive.

2.20 Changes to the everyday environment can also have beneficial impacts for people with a disability. Railway funding makes provision for the industry to invest up to £100 million from 2014-19 in 'Access for All' measures to provide easier access for older or disabled passengers and those with small children.

2.21 To build on the inspirational achievements of Paralympians at the London 2012 Games, the Government will maintain funding for Team GB elite athletes in the run up to Rio 2016. This includes investment of over £70 million of Exchequer and Lottery funding in Paralympic sports over four years from 2013. This is an increase of more than £20 million compared to the funding available to Paralympic athletes in the run-up to London 2012.

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