



Committee: BUDGET AND PERFORMANCE PANEL

Date: TUESDAY, 23 JANUARY 2018

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

A G E N D A

Councillors are reminded that as Members of Overview and Scrutiny they may not be subjected to the party whip, which is prohibited under the Lancaster City Council Constitution.

Please note that this meeting will be held in Morecambe Town Hall and will start at 6.00 p.m. All Members of the Council and stakeholders have been invited to attend.

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting held on 13th December, 2017 (previously circulated).

3. **Items of Urgent Business authorised by the Chairman**

4. **Declaration of Interests**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

Members are further reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to matters relating to, or which might affect, the calculation of Council Tax.

Any member of a local authority, who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not vote on any recommendation or decision which might affect the budget or council tax calculation. It is a criminal offence to fail to comply with this requirement.

5. **Budget and Policy Framework Proposals 2018 to 2022**

Cabinet will present its Budget and Policy Framework Proposals for the period 2018/19 to 2021/22.

6. **Lancashire County Council Consultation on Budget Proposals** (Pages 1 - 287)

Documents from the County Council's Cabinet Meeting to be held on the 18th January 2018 are attached.

7. **Lancashire Police and Crime Commissioner Budget Proposals** (Pages 288 - 300)

Documents from the Police and Crime Panel for Lancashire to be held on 22nd January 2018 are attached.

The Panel to consider the Police and Crime Commissioner's Budget Proposals.

The Commissioner to provide a written update for the meeting.

8. **Lancashire Combined Fire Authority Budget Proposals** (Pages 301 - 321)

The Panel to consider the Lancashire Combined Fire Authority Budget Proposals.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Susan Sykes (Chairman), Tim Hamilton-Cox (Vice-Chairman), Tracy Brown, Nathan Burns, Kevin Frea, Jean Parr, John Reynolds, Peter Williamson and (one Labour vacancy)

(ii) Substitute Membership

Councillors Dave Brookes, Claire Cozler, Ron Sands, John Wild, Nicholas Wilkinson and Phillippa Williamson

(iii) Queries regarding this Agenda

Please contact Tessa Mott, Democratic Services - telephone 01524 582074 or email tmott@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support, telephone 582170, or alternatively email democraticsupport@lancaster.gov.uk.

SUSAN PARSONAGE,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER LA1 1PJ

Published on Monday 15th January, 2018.

Report to the Cabinet

Meeting to be held on Thursday, 18 January 2018

Report of the Interim Chief Executive and Director of Resources

Part I

Electoral Divisions affected: All

Money Matters – The Financial Strategy for 2018/19 to 2021/22

(Appendices 'A', 'B', 'C', 'D', and 'E' refer)

Contact for further information:

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Executive Summary

This report sets out an overview of the Council's financial position from 2017/18 to 2021/22. It includes an update on the current year's financial position and a revised Medium Term Financial Strategy (MTFS) reflecting the provisional settlement for 2018/19 announced on 19th December 2017 as well as updated financial assumptions based on the latest evidence.

Like all councils, Lancashire County Council is facing significant financial pressures, and while good progress has been made in addressing the forecast financial shortfall over the strategy period, further work is required to ensure the council can achieve a financially sustainable position.

In summary:

- The 2017/18 revenue forecast outturn is £709.064m, an underspend of £15.758m (c2%) on the original budget.
- The MTFS indicates a financial deficit of £144.492m in 2021/22 and a cumulative deficit of £381.796m after allowing for savings of £135m, including £81m of new savings proposals included in reports to Cabinet during 2017/18.
- The Council is forecast to hold a General Reserve against unforeseen issues of £23.627m representing c3% of net budget.
- The Council is forecast to hold £122.801m of uncommitted transitional reserve (including the forecast underspend in the current financial year), which is sufficient to meet the deficit in 2018/19 and could also support the 2019/20 deficit, however in order to set a legal budget in future years further savings will need to be made.

- The in-year agreed capital programme is £171.611m with a forecast spend of £155.271m and therefore a delivery variance of £16.340m.
- A capital programme for the period 2018/19 – 2020/21 of £226.117m, is proposed, reflecting additions to the programme agreed by Cabinet including revenue savings linked to capital. Prudential borrowing totalling £200.428m covering the period 2017/18 to 2020/21 is required to fund the proposed programme.
- Council Tax is assumed to increase by 5.99% in 2018/19, including 3% for adult social care. This maximises the flexibilities set out in the latest provisional settlement without the need for a referendum.

Recommendations

The Cabinet is asked to:

- (i) **Note** the current forecast underspend of £15.758m on the revenue budget in 2017/18 and **agree** the transfer of the final underspend at year end into the transitional reserve.
- (ii) **Note** the revised funding gap of £144.492m covering the period 2018/19 to 2021/22 as set out in the revised financial outlook forecast for the Council.
- (iii) **Approve** the additional budget adjustments for 2018/19, and following years' increases, included in the revised MTFS following the financial settlement.
- (iv) **Approve** for purposes of consultation the budget proposals set out in Appendix C, the outcomes of the consultation to be reported back to Cabinet for consideration in due course.
- (v) **Approve** the budget proposals set out in Appendix D, authorise officers to proceed with their implementation and agree that the 2018/19 budget is based upon these revenue decisions
- (vi) **Agree to make recommendations to Full Council** on 8th February 2018 a Band D Council Tax for 2018/19 reflecting a 5.99% increase including 3% to be used for social care as per the new flexibilities.
- (vii) **Note** the contents of the County Council's Reserves position at 31st December 2017 forecast at 190.285m at the end of 2019/20, and approve the transfers between reserves contained within the report.
- (viii) **Approve** the specific capital programme estimated at £226.117m for 2018/19 – 2020/21 as presented within the body of the report.
- (ix) **Approve** prudential borrowing totalling £200.428m over the period 2017/18 to 2020/21 as identified within the Capital Programme report.

(x) To **note and have regard to** the advice of the Interim Chief Executive and Director of Resources in relation to the robustness of the budget and the adequacy of reserves.

1. Background and Advice

The detailed reports at Appendices A to E present the following:

- County Council's 2017/18 forecast revenue position as at Quarter 3 (Appendix A).
- Revised Medium Term Financial Strategy for the period 2018/19 to 2021/22 as at Quarter 3, including reserves position (Appendix B).
- Additional proposed revenue budget savings (Appendix C and D).
- Update on the Capital Programme as at Quarter 3, and the Capital Programme for future years (Appendix E).

Financial Position as at 31st December 2017 (Appendix A)

A revenue underspend is forecast for the County Council of £15.758m and represents a variance of c2.0% against the overall County Council budget of £724.822m. This is subject to a number of assumptions around the anticipated profile of expenditure for the rest of the year which is difficult to predict in some demand led budget areas. The report identifies those areas where forecast pressures exist and will be subject to ongoing detailed review with a focus on controlling and reducing costs and the delivery of an improved financial position by year-end.

The 2017/18 budget of £724.822m included a savings requirement of c£54m (some of which will be achieved across 2018/19 – 2020/21). A number of savings agreed as part of the 2016/17 budget were to be implemented by 2018/19 and it was agreed that these would be covered by the use of reserves to facilitate the transformation of services.

Delivery of the savings programme has been identified as a key risk area and the savings plans are subject to detailed and regular scrutiny by the Programme Office and Finance.

The level of reserves that were approved to be applied from the transitional reserve in 2017/18 to support the delivery of savings was £24.2m. The amount that is now forecast to be required is £16.5m reflecting early delivery of some agreed savings, noting this is partially offset by some budget savings that are delayed and will require longer reserve funding than expected. (The report provides details as to progress on the achievement and delivery of the savings relating to each Head of Service).

The Medium Term Financial Strategy (MTFS) and Reserves Position (Appendix B)

A revised MTFS was presented to Cabinet in December with a reported funding gap of £157.786m in 2021/22 and a cumulative gap of £442.976m.

This report provides an updated position for the period 2018/19 - 2021/22 and a review of the existing assumptions to reflect the most current information available. As a result of these reviews, increases to the council tax levels (both as a result of a rise in council tax base and a 2% uplift using flexibilities offered in the recent Settlement), increases in the level of capital receipts and the identification of £11.140m of new savings, the funding gap has reduced to £144.492m. This reduced gap is net of new demand and inflationary pressures, particularly in relation to the recently announced increase in pay levels of 2% and further demand pressures within Children's Social Care.

The reserves section of the report shows that the forecast value of the uncommitted Transitional Reserve is currently £122.801m (assuming that the 2017/18 underspend is included as recommended). Whilst it is anticipated that further revenue savings for 2018/19 and beyond will be identified, the impact of utilising the transitional reserve to fund the 2018/19 gap of £48.886m, would leave £73.915m available for use in 2019/20 and beyond based on current forecasts. The value of the current forecast gap for 2019/20 is £69.885m. Table 2 within the report demonstrates that that this reserve is sufficient to support the budget gap in 2018/19 and 2019/20. However, further savings will need to be made and fully implemented by 2020/21 to deliver a sustainable financial position and better protect the Council and its services from economic shocks or other unforeseen events.

Additional Savings 2018/19 – 2020/21 (Appendices 'C' and 'D')

As the County Council continues to have a significant and increasing financial gap over future financial years a detailed review has been completed of service budgets. This resulted in savings of £51.304m being included and agreed as part of the MTFs at Quarter 1, savings of £11.534m agreed at Quarter 2 and a further £7.112m agreed at December Cabinet. The total agreed savings to date is therefore £69.950m, an increase in total savings of £11.140m (over the next 3 years) as set out in Appendices C and D.

The new figures presented within the revised MTFs from 2018/19 onwards are presented on the assumption that these budget proposals are agreed by Cabinet, subject in the case of the budget proposals set out in Appendix C to appropriate consultation, the outcomes to be reported back to Cabinet for a final decision in due course.

It is anticipated that further savings proposals will be presented at future Cabinet meetings, reflecting the funding gap of £144.492m (2021/22) reported in the MTFs, should all savings in this report be agreed and delivered. This continued focus on maximising the Council's ability to secure a sustainable financial position is absolutely essential.

Capital Monitoring and Financing Position as at 31st December 2017 and Capital Programme for 2018/19 to 2020/21 (Appendix E)

This report sets out the capital monitoring forecast for 2017/18 based on the position at December 2017 against the agreed in-year capital programme approved by Cabinet. The in-year agreed programme is £171.611m with a forecast spend of £155.271m and therefore a variance of £16.340m.

The capital programme for the period 2018/19 – 2020/21, reflecting additions to the programme agreed by Cabinet including revenue savings linked to capital, totals £226.117m. The overall size of the Capital Programme for the period 2017/18 to 2020/21 has increased by £134.13m with an associated forecast increase to prudential borrowing of c£94m, the revenue cost of this will be funded through interest charges and the annual minimum revenue provision (MRP) charge, the impacts of both have been reflected in the MTFs position.

2. The Robustness of the Budget and the Adequacy of Reserves

Section 25 of the Local Government Act 2003 requires that, in giving consideration to budget proposals, Members must have regard to the advice of the Council's Chief Finance Officer (in the case of the County Council the Chief Executive and Director of Resources) on the robustness of the estimates and the adequacy of the Council's reserves.

Robustness of the Estimates

This section is concerned with the scale of financial risks faced by the Council as a result of the estimates and assumptions which support any budget. The basis of the estimates on which the budget has been prepared, as in previous years, relies on the forecast of activity and the impact of changes in policy previously agreed by the Council. These forecasts are kept under review as part of the budget monitoring process and actions identified to address financial risks arising from changes in the forecast as they occur.

The table below demonstrates the scale of just a small variance in the assumptions made in the MTFs, showing the potential impact of both a positive and negative movement of 1% across the main areas within the MTFs and the potential impact of a further 0.25% variation on interest rates:

	Potential Full-Year Impact (£m)
Funding (1%)	+/- 4.768
Pay (1%)	+/- 3.226
Price Inflation (1%)	+/- 5.952
Demand (1%)	+/- 6.323
Interest Rates (0.25%)	+/- 1.250

A number of specific risks remain within the budget as follows:

- **Government Funding**

The Council did not take up the offer in 2016 of a multi-year finance settlement covering Revenue Support Grant, Rural Services Delivery Grant and Transitional Grant. However, there were no changes to the 2018/19 allocations, announced in the Local Government Settlement on 19th December 2017, previously reported to Cabinet. Revenue Support Grant is expected to end in 2019/20 and the impact on the Council

of the Business Rate Retention Scheme and Fair Funding Review from 2020/21 is not yet known. For the purpose of the budget and MTFs a neutral position has been assumed including no Revenue Support Grant from 2019/20 and will be updated when further information is known.

No additional funding was announced for either adult social care or children's services, nor to cover the proposed 2% two year pay offer for local government workers. These additional cost pressures have been included in the strategy.

The settlement has given the Council scope to increase council tax by an additional 1% in both 2018/19 and 2019/20 on the grounds that it keeps pace with inflation, CPI is currently running at 3%. Adult social care precept arrangements also remain unchanged for Councils with adult social care responsibilities able to add up to a 3% increase in council tax up to a maximum of 6% over the period 2017/18 to 2019/20. These flexibilities have now been included in the strategy as part of this report.

• **Service Demand**

This is a key risk facing the Council in both preparing future budgets and managing budgets during the year. As reported in the budget monitoring reports presented to Cabinet over the year, demand for both adult and children's social care services and waste services continue to see increases despite the impact of demand management measures.

Over the period 2018/19 to 2021/22 £85m has been provided in the MTFs for demand pressures of which £55.7m relates to adult social care and £22m children's social care. These have been identified based on current and historical trends and population projections where appropriate (particularly linked to the ageing population in respect of Adult Social Care). Whilst for Adult Social Care the estimates are based on assumptions that have previously been a reasonable prediction of demand, during the current financial year significant and unanticipated increased costs in relation to Children's Social care have occurred and have been reported to Cabinet in revenue monitoring reports.

Detailed work continues to be undertaken focused on a better understanding of the causes of increasing demand and what steps can be taken to mitigate the financial impact, which, along with grant funding reductions, is a major contributing factor towards the funding gap reported in the MTFs.

• **Pay**

The previous MTFs has made provision for a pay award of 1% each year. Most of the pay bill is driven by the national pay agreement and the announcement of the 2% 2 year pay offer represents a significant additional cost pressure reflected in the updated MTFs. The County Council also remains committed to paying its employees as an accredited member of the Living Wage Foundation who have announced a 3.6% increase in the Living Wage. The impact of this initial increase and further 3.6% increases in subsequent years for those staff directly impacted has been factored into the MTFs.

- **Inflation**

The Monetary Policy Committee (MPC) of the Bank of England has been set an inflation target by the Government of 2%. However, in September 2017 the CPI inflation increased to 3% and rose again to 3.1% in November. It is considered that inflation has been pushed above the target by the increase in import prices that resulted from the depreciation of sterling. The MPC has stated that it judges that inflation is likely to be close to its peak, and will decline towards the 2% target in the medium term.

Provision made within the budget is limited to areas where the Council has no choice but to pay increased prices e.g. due to contractual terms. The inflation forecasts used in recent years are based on the future level of inflation implied by yields on interest linked gilts. Historically, this has tended to give a more accurate forecast than the methodology previously used. It is anticipated that the continued use of this methodology will reduce the risk of needing to make catch up additions to the budget for "missed" inflation or the need to absorb additional inflationary costs in year.

A particularly significant area is the care market, primarily residential, nursing and homecare, the funding of which is recognised as a significant issue regionally and nationally. A significant amount of resource has been included within the MTFs to fund price increases and the estimated impact of the national living wage on care providers.

- **Interest Rates**

The MPC has also raised the base interest rate for the first time in a decade. At its meeting on 1 November 2017, the MPC voted by a majority of 7-2 to increase the Bank Rate by 0.25 percentage points, to 0.5%. Reasons cited for the increase were concern over inflation and the reduction of slack in the economy.

Despite the increase in the base rate the short term interest rates continue to be at historically low levels. It is not anticipated that the increase in November is the start of a period of large increases. All indications are that any future increase will be at a very gradual pace. Indeed, the County Council's Treasury advisors predict no further changes in the base rate for this financial year due to the uncertainty for the UK economy arising from the Brexit negotiations and the fall in real wages.

- **Savings Programme Delivery**

The Council is committed to the delivery of a significant savings programme (c£135m over the period 2018/19 to 2021/22) including £70m of new savings already agreed by Cabinet during 2017/18 and an additional £11m of proposals for consideration at this meeting. There are inherent risks with saving plans of this scale and scope and any significant under-delivery of agreed savings will further increase the funding gap. This has been identified as one of the highest level risks in the Council's Risk and Opportunity Register and there are comprehensive arrangements in place to track delivery of financial savings and take corrective actions as required.

Adequacy of Reserves

The Council holds reserves for a number of reasons:

- To enable the Council to deal with unexpected events such as flooding or the destruction of a major asset through fire.
- To enable the Council to manage variations in the demand for services which cause in year budget pressures.
- To fund specific projects or identified demands on the budget.

There is no 'right' answer to the question of the appropriate level of reserves for a local authority; this is a matter of judgement taking into account:

- The level of risk evident within the budget as set out above.
- A judgement on the effectiveness of budgetary control within the organisation.
- The degree to which funds have already been set aside for specific purposes which will reduce the need for general reserves.

In relation to the Council's general reserve (County Fund Balance), the forecast level at 31 March 2018 is £23.627m. This is after £10m is transferred to a formal treasury management reserve to reflect that, whilst the Council's Treasury Management performance (covering both investment activity and financing costs) has been positive over an extended period, the outlook post-Brexit is particularly uncertain and volatile. The reserve will therefore help to manage quickly responding to that volatility, including interest rate changes and associated risks, over the short-term without directly impacting the revenue account.

The revenue budget has been heavily supported in recent years by the reserves that have been available to the County Council and their value has therefore reduced significantly. The value of the Council's uncommitted transitional reserve by the end of the financial year is currently forecast to be £122.801m (including the 2017/18 forecast underspend). Assuming all of the savings proposals up for consideration at this meeting are agreed there still remains a gap between available funding and forecast expenditure of £48.886m in 2018/19, which will further reduce reserves.

The level of risk evident within the budget has been significant in recent years and remains so at a time when it is clear that the revenue budget for 2018/19 will also need to be supported significantly by reserves. The Council acknowledges that it needs to move to a sustainable financial position and also that this will take time to implement. The transitional reserve allows decisions to be made in a more measured and considered way but does not of itself negate the need for a sustainable budget to be achieved. While the Council's budgetary control procedures are strong in terms of managing in year expenditure, the effectiveness of budgetary control is a combination of systems and processes as well as the risk environment within which the Council is operating. It therefore remains an essential requirement that the Council continue to ensure that processes are effective in maintaining a grip on in year expenditure and also that there is a clear focus on delivering a balanced and sustainable budget.

Overall, the Council has an appropriate level of reserves available to manage the financial risks it is facing in 2018/19, but this is highly unlikely to be the case in future years. It is critical that a significant level of additional savings are identified to be

delivered and fully implemented by 2020/21 to bring the Council to a financially sustainable position. Any utilisation of remaining reserves should support, wherever possible, activities which reduce ongoing revenue costs. One of the priority areas for new savings will be in seeking to implement the aim within the current financial strategy of seeking to move to lower quartile cost, of the most appropriate comparator group of local authorities, for all services.

Conclusion

Following the ongoing detailed budget monitoring, identification of £81m of further budget proposals and a detailed review of the current reserves commitments, a balanced budget for 2018/19 with the use of £48.886m of reserves can be recommended. However, this is clearly dependent on all the budget options being agreed and delivered fully within the timeframes identified, along with the other savings agreed in previous budget cycles. Should any of these budget options ultimately not be taken forward they will need to be replaced with alternative savings to avoid increasing the size of the financial gap.

While it is possible to confirm the robustness of budgets using £48.886m of reserves for 2018/19, the position for 2019/20 is critical to addressing the issue of financial sustainability as there remains a funding gap of £69.885m. Urgent work is required to identify proposals for additional savings early in 2018/19 that can be delivered in 2019/20 and for the remaining MTFS period.

Consultations

Cabinet is recommended to approve the budget proposals set out in Appendix C for the purposes of appropriate consultation with individuals and parties potentially affected as set out in the budget option templates. The outcomes of the consultation will be reported back to Cabinet in due course and will be incorporated in Equality Analysis reports as necessary for Cabinet to consider.

Implications

This item has the following implications, as indicated:

Equality and Cohesion

Cabinet must ensure that they comply with the requirements of the Public Sector Equality Duty as set out in s.149 of the Equality Act 2010.

The budget proposals are set out in Appendices 'C' and 'D'. A number of them may have a negative impact on persons with protected characteristics and initial Equality Analysis reports are included where required. The proposals included in Appendix 'C' have been identified as requiring specific consultations and the outcomes of these will be reported back to Cabinet in due course for final consideration.

Risk management and Financial Implications

The County Council's overall approach to managing financial risks continues to be to identify and acknowledge risks early and build their impact into financial plans while continuing to develop strategies which will minimise their impact. This approach operates in parallel with the identification and setting aside of sufficient resources to manage the financial impact of the change risks facing the organisation.

The financial risks that could affect the position outlined in the report primarily cover the following:

- *Level of Future Resources from Central Government*
Risks remain in relation to the level of resources the Council receives from the government in terms of Revenue Support Grant and the impact of the statement by the Chancellor of the Exchequer regarding the retention of 100% business rates and the ending of RSG by the end of this Parliament. At this point in time there is insufficient detailed information regarding the changes to amend the funding assumptions within the MTFS.
- *Demand*
There is continued pressure on the Council's budget, particularly around Adults and Children's social care, and the most up to date demand forecasts have been included. However any increase in demand above the current forecast will add additional pressure to future years.
- *Inflation*
A significant level of additional resource has been included in the MTFS, primarily on contractual price increases and particularly on social care where there are nationally recognised funding issues in the residential and domiciliary care markets. In addition, the MTFS includes estimates of the cost of increases that would enable independent sector providers to meet the additional costs of meeting new national living wage levels for their employees.
- *Delivery*
The MTFS assumes that c£54m of existing agreed savings (aside from those agreed as part of 2017/18 reports to Cabinet) will be delivered in the period 2017/18 to 2020/21 to ensure the current forecast gap does not increase. There are a significant number of factors, both internal and external which may impact upon delivery and the impact of these on new and existing budget proposals being taken forward will need to be clearly identified and minimised.

The financial implications of Cabinet agreeing to the budget proposals are set out in the report and the individual budget option templates.

Legal Implications

The immediate legal implications of the budget proposals to be considered by Cabinet are set out in the budget option templates and Equality Analysis reports at Appendices C and D

List of Background Papers

Paper	Date	Contact/Tel
Money Matters – Updated Medium Term Financial Strategy (2018/19 – 2021/22)	7 December 2017	Neil Kissock/(01772) 536154
Money Matters 2017/18 Position and Medium Term Financial Strategy	9 November 2017	Neil Kissock/(01772) 536154

Reason for inclusion in Part II, if appropriate

N/A

Money Matters
The County Council's Revenue Financial
Position
As at 31st December 2017

Money Matters – Update on the County Council's Revenue Financial Position for 2017/18

1. Introduction

This report provides an update for Cabinet on the County Council's 2017/18 revenue financial position.

2. Summary of the Financial Position

In February 2017 the County Council approved a revenue budget of £724.822m which included an approved contribution from reserves of £57.106m to fund the shortfall between estimated expenditure levels and available funding.

This report provides a view on the Council's current financial performance and the anticipated position at the year end. The forecast is predominantly based on the information up to the end of November 2017 with adjustments made to reflect further information available in December (this is usual practice for Quarter 3 reports due to Cabinet deadlines). The report also contains a comparison to the previously reported financial position as at 30th September (Quarter 2).

The forecast final position for the end of the year is net expenditure of £709.064m, reflecting a predicted in year underspend of £15.758m which represents 2.17% of the budget.

The 2017/18 budget of £724.822m included a savings requirement of c£54m (some of which will be achieved across 2018/9 – 2020/21). As a proportion of savings will not be fully implemented until 2018/19 it was agreed that these would be covered by the use of reserves to facilitate the transformation of services.

The narrative provides details as to progress on the achievement and delivery of the savings relating to each Head of Service. The level of reserves that were approved to be applied from the Transitional Reserve 2017/18 in support of the delivery of savings was £24.2m and the amount that is now forecast to be required is £16.5m. This is due to early delivery of some savings, particularly through staff vacancies and turnover, noting this is partially offset by some budget savings that are delayed and require longer reserve funding than expected.

Delivery of the savings programme is a key risk area and the savings plans will continue to be subject to detailed and regular scrutiny throughout the remainder of 2017/18 by the Programme Office and Finance.

Budget Monitoring 2017/18 Summary Table

Ref	Service Area	Approved Budget £m	Current Cabinet Forecast Qtr 3 £m	Current Cabinet Forecast Variance £m	Previous Period Forecast Variance Qtr 2 £m	Current Qtr 3 Forecast Variance %
3.1	ADULT SERVICES	327.368	324.618	-2.750	-1.581	-0.84%
3.2	CHILDREN'S SERVICES	146.519	149.003	2.484	2.220	1.70%
3.3	COMMUNITY SERVICES	133.560	129.444	-4.116	0.928	-3.08%
3.4	PUBLIC HEALTH & WELLBEING	20.192	16.358	-3.834	-3.463	-18.99%
3.5	DEVELOPMENT AND CORPORATE SERVICES	42.831	45.161	2.330	2.583	5.44%
3.6	COMMISSIONING	40.821	38.365	-2.457	-2.769	-6.02%
3.7	CHIEF EXECUTIVE	13.531	6.116	-7.415	-5.417	-54.80%
	TOTAL	724.822	709.064	-15.758	-7.499	-2.17%

The forecast final position for the end of the year is net expenditure of £709.064m, reflecting a predicted in year underspend of £15.758m being 2.17% of the budget. The 2017/18 forecast has improved by £8.260m compared to the position reported to Cabinet as at the end of September 2017.

The most significant areas of change compared to the forecast presented to Cabinet at Quarter 2 are:

- Increased capitalisation of areas such as street lighting maintenance and drainage repairs within Community Services totalling £3.939m.
- Improved Treasury Management performance of £2.290m due to a combination of interest payable being lower than budgeted and gains made on the sale of bonds.
- An improved position in Adults Services of £1.169m due to staff vacancies, increases in income and a reduction in domiciliary care expenditure.

3. Budget Monitoring Detailed Analysis

3.1 Adults Services

Ref	HEAD OF SERVICE	Approved Budget £m	Current Cabinet Forecast Qtr 3 £m	Current Cabinet Forecast Variance £m	Previous Period Forecast Variance Qtr 2 £m	Current Qtr 3 Forecast Variance %
3.1.1	DISABILITY (adults)	-3.493	-4.035	-0.542	-0.442	-15.52%
3.1.2	OLDER PEOPLE	1.239	2.005	0.766	0.898	61.82%
3.1.3	LEARNING DISABILITIES, AUTISM & MENTAL HEALTH	177.962	169.368	-8.594	-8.638	-4.83%
3.1.4	SOCIAL CARE SERVICES (adults)	151.660	157.281	5.621	6.600	3.71%
	TOTAL - ADULT SERVICES	327.368	324.619	-2.749	-1.582	-0.84%

Adults Services is forecast to underspend by £2.749m. The underspend at Quarter 3 has improved by £1.167m compared to Quarter 2 Cabinet monitoring.

Disability (Adults) underspend is as a result of staff vacancies and additional income. This has increased by £0.100m due to further staff vacancies that the service has reported during Quarter 3.

Older People Services is forecasting an overspend due to a forecast underachievement of income and the use of agency staff to cover vacancies in the short term. This overspend is also impacted by an undeliverable saving in 2017/18 of £0.425m that has been built back into the MTFs. The forecast for this service has improved by £0.132m due to increases in income offset by increases in staff and other costs.

Learning Disabilities, Autism & Mental Health underspend has decreased slightly by £0.044m to £8.594m. The significant elements of this are detailed below:

- Learning Disabilities is forecasting an underspend of £5.720m, which is mainly as a result of the service not experiencing the level of demand built into the LCC budget.
- The forecast also now includes a shortfall of £0.150m on £1.200m budgeted Learning Disabilities remodelling savings which was reported as being on target at Quarter 2.
- Mental Health Commissioned Care forecast underspend of £1.391m remains in line with the Quarter 2 position where demand levels are lower than budgeted levels. However the November forecast includes budget adjustments for the realignment of the Health Income budget.

- Mental Health staffing remains in line with Quarter 2 with an underspend of £1.227m forecast due to staff vacancies. Learning Disability and Autism staffing also continues to forecast a similar underspend compared to Quarter 2 of £0.256m.

Social Care Services overspend has reduced by £0.979m since Quarter 2 to £5.621m, with the significant elements detailed below:

- The largest area of spend in Social Care Services (Adults) is Physical Support the forecast has improved since Quarter 2 with the service forecast to overspend by £5.896m. There have been large increases in demand for residential and nursing placements in the year to date, which have contributed to the forecast overspend.

The increases have been reviewed against the Passport to Independence transformation programme which is reporting higher than expected savings on residential admissions from Acute settings. Analysis has shown that an increase in the number of assessments and reviews completed in the Community teams is the most likely cause of the increase in admissions. The percentage of assessments and reviews leading to an admission has not changed, which would indicate that the increase is not a result of changes to the decision making process.

On the other hand, total Domiciliary and Direct Payments service user numbers show little change compared with March 2017. This service area contains the budget reductions generated by the Passport to Independence transformation programme. The delayed delivery is contributing to the overspend position as well as the increase in throughput of assessment and reviews.

- The forecast for Personal Social Care staff has decreased by £0.264m due to the level of vacancies remaining in the new service structure. The service is also reporting a reduced requirement from reserves, as it was agreed that reserves will be utilised to support the interim staffing structure.
- The supporting people service is forecasting an underspend of £0.083 which is a decrease of £0.325m compared to Quarter 2. This is due to an agreed contribution being made to support ongoing contracts which have transferred to Children's Services that was not previously forecast.

3.2 Children's Services

Ref	HEAD OF SERVICE	Approved Budget £m	Current Cabinet Forecast Qtr 3 £m	Current Cabinet Forecast Variance £m	Previous Period Forecast Variance Qtr 2 £m	Current Qtr 3 Forecast Variance %
3.2.1	CHILDREN'S SERVICES	-1.217	-1.385	-0.168	-0.165	-13.80%
3.2.2	SEN & DISABILITY	16.797	15.566	-1.231	-1.146	-7.33%
3.2.3	SAFEGUARDING INSPEC & AUDIT	10.494	10.936	0.442	0.484	4.21%
3.2.4	ADOPTION & FOSTERING RESIDENTIAL AND YOT	27.955	26.342	-1.613	-1.670	-5.77%
3.2.5	CHILDREN SOCIAL CARE	91.295	96.073	4.778	4.264	5.23%
3.2.6	SCHOOL IMPROVEMENT	6.196	5.541	-0.655	-0.766	-10.57%
3.2.7	LEARNING & SKILLS (START WELL)	-5.001	-4.070	0.931	1.219	18.62%
	TOTAL - CHILDREN'S SERVICES	146.519	149.003	2.484	2.220	1.70%

Children's Services is forecast to overspend by £2.484m. The overspend at Quarter 3 has increased by £0.264m compared to Quarter 2 Cabinet monitoring.

SEN and Disability continues to report an underspend position that has not changed significantly since Quarter 2. The variances are mainly due to staff vacancies and recovery of Direct Payments through clawback processes.

Safeguarding, Inspection and Audit (SIA) is forecast to overspend by £0.442m in 2017/18, predominantly due to forecast staff overspends as a result of using agency staff to fill vacant posts which is not a significant variance compared to Quarter 2.

Adoption, Fostering, Residential and Youth Offending Team is forecast to underspend by £1.613m in 2017/18 which has not changed significantly from forecasts at Quarter 2. The service are experiencing underspends across staffing, fostering allowances and in the residential in-house provision.

Children's Social Care continues to report an overspend position, with an increase of £0.514m at Quarter 3, resulting in a forecast overspend of £4.778m. The overspend is due to overspends on staffing (£1.935m), placement costs (net £0.743m), Special Guardianship Orders and Assistance to Families (£2.774m). There are some small underspends across areas such as staying put and leaving care allowances that offset these overspends.

Children's Social Care forecast outturn has deteriorated by £0.514m due to increased staffing pressures, Special Guardianship Orders and a newly reported overspend in

supporting people following a review of the budget position, offsetting this is a small reduction in the agency fostering forecast.

School Improvement is forecasting an underspend position of £0.655m predominantly as a result of staff vacancies. This has slightly reduced compared to Quarter 2 due to revised staffing forecasts.

Learning and Skills Service is reporting a negative variance to budget of £0.931m, however this has improved by £0.288m compared to the forecast at Quarter 2. The negative position is due to the following:

- School Catering pressures due to difficulties in achieving a £2.000m additional income target and increases in food costs.
- Outdoor Education is forecast to overspend as a result of the closure of Whitehough. Whilst costs across the service have reduced following the closure of the centre, the transfer of customers from Whitehough to other LCC outdoor education centres, which was assumed in the savings proposal, has not materialised and so the service is reviewing alternative actions to achieve the saving.
- Learning Excellence is forecast to overspend largely due to a decrease in income through the decline of course bookings from schools as a result of the closure of a conferencing centre. The service is working towards mitigating against this by meeting demand through venues located by area and district.

3.3 Community Services

Ref	HEAD OF SERVICE	Approved Budget £m	Current Cabinet Forecast Qtr 3 £m	Current Cabinet Forecast Variance £m	Previous Period Forecast Variance Qtr 2 £m	Current Qtr 3 Forecast Variance %
3.3.1	CUSTOMER ACCESS	3.781	3.243	-0.538	-0.228	-14.23%
3.3.2	HIGHWAYS	18.054	11.138	-6.916	-2.977	-38.31%
3.3.3	LIBRARIES MUSEUMS CULTURE & REGISTRARS	5.979	8.115	2.136	2.543	35.73%
3.3.4	PUBLIC & INTEGRATED TRANSPORT	40.926	43.171	2.245	2.000	5.49%
3.3.5	WASTE MGT	64.820	63.777	-1.043	-0.410	-1.61%
	TOTAL - COMMUNITY SERVICES	133.560	129.444	-4.116	0.928	-3.08%

Community Services is forecast to underspend by £4.116m. This an improved position of £5.044m compared to Quarter 2 Cabinet monitoring.

Customer Access is forecasting an underspend of £0.538m due to staff vacancies. This has improved by £0.310m since Quarter 2 due to continued staff vacancies now reflected in the forecast.

Highways is forecasting an underspend of £6.916m, which is mainly due to a combination of borrowing to fund structural defects, traffic signal repairs, streetlighting maintenance and drainage maintenance rather than using a budgeted revenue contribution (£6.077m) and additional income under Highway Regulation & Inspection (£0.839m). This is an improved position of £3.939m as a result of the increased capitalisation of costs that were previously charged to revenue.

Libraries, Museums, Culture and Registrars (LMCR) are forecast to overspend by £2.136m. This is largely due to undeliverable savings within libraries which have been built back in to the MTFs from 2018/19. This is a slightly improved position compared to Quarter 2 due to reduced staff costs.

Public and Integrated Transport is forecast to overspend by £2.245m which is an increased overspend compared to Quarter 2. This is predominantly due to delayed delivery of savings within Special Educational Needs (SEN) Transport and additional demand within the service. Both these issues have been addressed as part of the MTFs from 2018/19.

Waste Management which is forecast to underspend by £1.043m due to a combination of various over and underspends, the most significant of which is the

reduction in forecast waste arisings (1.5% increase rather than the budgeted 5.4%). This position has improved since Quarter 2 as a result of increased underspends on green waste and an improved position for household waste recycling centres.

3.4 Public Health and Wellbeing

Ref	HEAD OF SERVICE	Approved Budget	Current Cabinet Forecast Qtr 3	Current Cabinet Forecast Variance	Previous Period Forecast Variance Qtr 2	Current Qtr 3 Forecast Variance
		£m	£m	£m	£m	%
3.4.1	PUBLIC HEALTH & WELLBEING	-69.709	-69.844	-0.135	-0.123	-0.19%
3.4.2	PATIENT SAFETY & QUALITY IMPROVEMENT	4.592	4.763	0.171	0.298	3.72%
3.4.3	HEALTH EQUITY WELFARE & PARTNERSHIPS	66.754	65.819	-0.935	-0.678	-1.40%
3.4.4	CHILDREN AND FAMILY WELLBEING SERVICE	14.696	11.931	-2.765	-2.788	-18.81%
3.4.5	HEALTH, SAFETY & RESILIENCE	1.036	0.548	-0.488	-0.400	-47.10%
3.4.6	TRADING STANDARDS & SCIENTIFIC SERVICES	2.822	3.142	0.320	0.228	11.34%
	TOTAL - PUBLIC HEALTH	20.191	16.359	-3.832	-3.463	-18.98%

Public Health and Wellbeing is forecast to underspend by £3.832m. The forecast has improved by £0.369m compared to Quarter 2 figures.

Public Health and Wellbeing is forecasting to underspend by £0.135m as a result of staff vacancies.

Patient Safety & Quality Improvement is forecasting to overspend by £0.171m, predominantly as a result of additional budgetary pressure on the staffing budget through the use of Agency Staff.

Health Equity, Welfare & Partnerships is forecasting an improved position by £0.257m compared to Quarter 2. The forecast underspend of £0.935m relates to contracts and staffing underspends.

Wellbeing, Prevention & Early Help is forecast to underspend by £2.765m, which has not significantly changed since Quarter 2, which relates to staffing vacancies and underspends on operational costs.

Health, Safety and Resilience is forecast to underspend by £0.488m which is a slight improvement of £0.88m compared to Quarter 2. The small increase is due to additional recovery of income and further underspends on operational costs.

Trading Standards and Scientific Service is forecasting an overspend of £0.320m which is a deterioration of £0.092m compared to Quarter 2. The service is overspent mainly due to a shortfall in grants.

3.5 Development and Corporate Services

Ref	HEAD OF SERVICE	Approved Budget	Current Cabinet Forecast Qtr 3	Current Cabinet Forecast Variance	Previous Period Forecast Variance Qtr 2	Current Qtr 3 Forecast Variance
		£m	£m	£m	£m	%
3.5.1	CORE BUSINESS SYSTEMS TRANSFORMATION	22.735	24.069	1.334	1.242	5.87%
3.5.2	FACILITIES MGT	15.725	17.504	1.779	1.779	11.31%
3.5.3	HUMAN RESOURCES	0.972	0.656	-0.316	-0.316	-32.51%
3.5.4	ECONOMIC DEVELOPMENT	0.005	-0.161	-0.166	0.000	-3320.00%
3.5.5	BUSINESS GROWTH	0.545	0.642	0.097	0.042	17.80%
3.5.6	LEP COORDINATION	0.000	0.003	0.003	0.000	NA
3.5.7	STRATEGIC ECONOMIC DEVELOPMENT	0.000	0.000	0.000	-0.000	NA
3.5.8	DESIGN and CONSTRUCTION	-1.989	-1.893	0.096	0.354	-4.83%
3.5.9	ESTATES	0.526	0.526	0.000	0.000	0.00%
3.5.10	PLANNING AND ENVIRONMENT	1.506	1.008	-0.498	-0.498	-33.07%
3.5.11	PROGRAMME OFFICE	-0.022	0.242	0.264	0.264	-1200.00%
3.5.12	SKILLS LEARNING & DEVELOPMENT	2.827	2.564	-0.263	-0.283	-9.30%
	TOTAL - DEVELOPMENT AND CORPORATE	42.830	45.160	2.330	2.584	5.44%

Development and Corporate Services are forecast to overspend by £2.330m. The overspend at Quarter 3 has decreased by £0.254m compared to Quarter 2 Cabinet monitoring.

Facilities Management is forecast to overspend by £1.779m due to undeliverable savings across property budgets which have been built into the MTFs. In addition, Core Business Systems/Transformation are forecasting an overspend of £1.334m which is due a combination of delayed delivery of savings and reductions in income.

There is no significant change compared to the Quarter 2 forecast.

3.6 Commissioning

Ref	HEAD OF SERVICE	Approved Budget	Current Cabinet Forecast Qtr 3	Current Cabinet Forecast Variance	Previous Period Forecast Variance Qtr 2	Current Qtr 3 Forecast Variance
		£m	£m	£m	£m	%
3.6.1	ASSET MGT	9.873	8.478	-1.395	-1.821	-14.13%
3.6.2	POLICY INFO & COMMISSION AGE WELL	0.521	0.521	0.000	0.000	0.00%
3.6.3	POLICY INFO & COMMISSION LIVE WELL	0.543	0.543	0.000	0.000	0.00%
3.6.4	POLICY INFO & COMMISSION START WELL	0.594	0.594	0.000	0.000	0.00%
3.6.5	PROCUREMENT	1.547	1.332	-0.215	-0.215	-13.90%
3.6.6	BUSINESS INTELLIGENCE	0.903	0.811	-0.092	-0.039	-10.19%
3.6.7	EXCHEQUER SERVICES	3.088	2.542	-0.546	-0.546	-17.68%
3.6.8	FINANCIAL MGT (DEVELOPMENT AND SCHOOLS)	0.261	0.183	-0.078	-0.078	-29.89%
3.6.9	FINANCIAL MGT (OPERATIONAL)	1.820	1.680	-0.140	-0.140	-7.69%
3.6.10	OFFICE OF THE POLICE AND CRIME COMMISSIONER TRES	-0.010	-0.010	0.000	0.000	0.00%
3.6.11	CORPORATE FINANCE	4.933	4.886	-0.047	-0.047	-0.95%
3.6.12	CORONER'S SERVICE	2.878	2.762	-0.116	-0.110	-4.03%
3.6.13	INTERNAL AUDIT	0.694	0.630	-0.064	-0.029	-9.22%
3.6.14	LEGAL AND DEMOCRATIC SERVICES	13.177	13.413	0.236	0.255	1.79%
	TOTAL - COMMISSIONING	40.822	38.365	-2.457	-2.770	-6.02%

Commissioning Services are forecast to underspend by £2.457m. The underspend is largely the same as that reported at Quarter 2.

The most significant underspend of £1.395m is forecast for Asset Management relating to street lighting energy and various smaller items such as Building Schools for the Future funding.

In addition services across Financial Resources are reporting underspends as a result of staff vacancies.

3.7 Chief Executive

Ref	HEAD OF SERVICE	Approved Budget £m	Current Cabinet Forecast Qtr 3 £m	Current Cabinet Forecast Variance £m	Previous Period Forecast Variance Qtr 2 £m	Current Qtr 3 Forecast Variance %
3.7.1	CHIEF EXECUTIVE SERVICES	-0.172	-0.097	0.075	-0.219	43.60%
3.7.2	SERVICE COMMUNICATIONS	0.830	0.687	-0.143	-0.143	-17.23%
3.7.3	LARGE SPECIFIC GRANTS TO SUPPORT THE AUTHORITY	-7.784	-7.985	-0.201	-0.201	-2.58%
3.7.4	NON SERVICE ISSUES CORPORATE BUDGETS	20.656	13.511	-7.145	-4.855	-34.59%
	TOTAL - CHIEF EXECUTIVE	13.530	6.116	-7.414	-5.418	-54.80%

Chief Executive Services are forecast to underspend by £7.414m. The underspend in November has increased by £1.996m compared to Quarter 2 Cabinet monitoring due to an improved Treasury Management position reflecting positive investment activity over the quarter.

The most significant area of underspend of £7.145m relates to non-service budgets and is a combination of underspends on pension contributions, treasury management, strategic budget and inherited pension liabilities.

Money Matters
Financial Outlook for the County Council
Medium Term Financial Strategy as at
31st December 2017

	Contents	Page
1	Executive Summary	3
2	Funding	6
3	Net Spending Pressures	12
4	Reserves	18
5	Future Risks	20

Financial Outlook for the County Council: Medium Term Financial Strategy

1. Executive Summary

1.1 Introduction

This report outlines the financial outlook for the Council over the period 2018/19 to 2021/22. The County Council is experiencing an ongoing period of significant financial pressure as a result of the Government's extended programme of austerity combined with continuing increases in demand for public services.

In December 2017 Cabinet received an updated medium term financial strategy (MTFS) summary outlining that the County Council was forecast to face an in year funding gap of £157.786m by the end of the 4 year period (2018/19 – 2021/22).

This report provides an updated position for the period 2018/19 - 2021/22 and a review of the existing assumptions to reflect the most current information available. Overall the funding gap has reduced to £144.492m. Improvements include increases to the council tax levels (both as a result of increase in council tax base and a 2% increase due to flexibilities offered by the Secretary of State), increases in the level of capital receipts and the identification of £11.140m of new savings. Offsetting these improvements are demand and inflationary pressures, particularly in relation to the recently announced increase in pay levels of 2% and further demand pressures within Children's Social Care.

It is important to note that the funding gap is not evenly spread, with a gap of £48.886m forecast for 2018/19, £69.885m in 2019/20, £118.532m in 2020/21 and £144.492m in 2021/22. In addition, there is greater uncertainty about funding post 2018/19 with changes being made to business rates retention and the funding formula, that are currently being developed and going through various pilot and consultation processes.

1.2 Financial Overview 2018/19 – 2021/22

Under a separate Money Matters report the County Council's financial position for 2017/18 as at Quarter 3 has been outlined (£15.758m forecast underspend), although this is based on a revenue budget heavily supported by reserves.

The assumptions made in the original MTFS have been reviewed and been updated to reflect the latest information available.

The table on the next page provides a detailed analysis of movements between the previously reported financial gap and the revised financial gap:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Spending Gap as reported to Cabinet in December 2017	60.313	25.310	53.630	18.533	157.786
Add change to forecast of spending:					
Pay & Pensions	4.661	3.919	-1.383	-1.856	5.341
Inflation and Cost Changes	-0.365	0.107	-0.170	-0.235	-0.663
Service Demand and Volume Pressures	3.435	0.235	0.231	0.224	4.125
Specific grants	0.128	0.000	0.000	0.000	0.128
Additional Savings	-6.449	-2.591	-2.100	0.000	-11.140
Total Change to Forecast of Spending	1.410	1.670	-3.422	-1.868	-2.210
Change to forecast of resources:					
Funding	-12.837	-5.981	-1.561	9.295	-11.084
Total Change to Forecast of Resources	-12.837	-5.981	-1.561	9.295	-11.084
Funding Gap	48.886	20.999	48.647	25.960	144.492

Aggregated Funding Gap					Total £m
2018/19 (£m)	48.886	48.886	48.886	48.886	195.545
2019/20 (£m)		20.999	20.999	20.999	62.997
2020/21 (£m)			48.647	48.647	97.293
2021/22 (£m)				25.960	25.960
Total	48.886	69.885	118.532	144.492	381.796

The 2018/19 budget assumes that the financial gap of £48.886m detailed above will be met from the transitional reserve which currently has a forecast available balance of £122.801m.

1.3 Conclusion

Lancashire County Council continues to face, as previously stated, an unprecedented period of financial constraint during the period covered by this MTFS.

As part of the process of redesigning its services the County Council has previously explicitly recognised the need to utilise its reserves. Details on the updated reserves position are provided on Page 18 of this report.

When reviewing the County Council's Reserves in conjunction with the Medium Term Financial Strategy the funding requirement to bridge the financial gap in 2018/19 would total £48.886m.

2. Funding

The MTFs now includes government funding as announced in the Provisional Settlement on 19th December 2017. It is important to note that the proposed allocations issued from the Government only cover the period up to 2019/20 and assumptions have had to be made for 2020/21 – 2021/22. It is currently anticipated that a new system of Local Government finance will be in place in 2020/21 which involves Local Government retaining all of the business rates and a review of the funding formula. However, details of the scheme and the impact on Lancashire are not known at this time therefore the current business rates and grants structure has been forecast for future years.

The Secretary of State offered Local Authorities the opportunity to apply for a four year financial settlement covering the Revenue Support Grant, Rural Services Delivery Grant and Transitional Grant. The County Council declined this offer and therefore the grants position will be announced annually.

The MTFs approved by Cabinet in December 2017 included the following forecast level of resources:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Revenue Support Grant	56.979	32.894	0.000	0.000
Business Rates	187.206	193.788	198.989	204.431
Council Tax	458.371	483.810	500.839	518.468
New Homes Bonus	3.727	3.713	3.207	3.207
Better Care Fund	22.656	40.014	40.014	40.014
Capital receipts	16.025	0.000	0.000	0.000
Total	744.964	754.219	743.049	766.120

The figures above were based on a number of assumptions which have been revisited as part of this report and the latest information available has been included. It is important to note that the revised figures shown below show Council Tax increasing by 5.99% in 2018/19, 3.99% in 2019/20 and 1.99% thereafter, however this will be a decision made by Full Council each year when setting the budget.

The revised resources position incorporating the details set out below is as follows:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Revenue Support Grant	56.979	32.894	0.000	0.000
Business Rates	187.706	193.788	198.989	204.431
Council Tax	468.170	494.153	511.547	529.552
New Homes Bonus	3.765	3.713	3.207	3.207
Better Care Fund	22.656	40.014	40.014	40.014
Capital receipts	18.525	8.475	9.672	0.000
Total	757.801	773.037	763.429	777.204

2.1 Settlement Funding Assessment (SFA)

The Settlement Funding Assessment (SFA) is an indication of the level of resources required by an authority which is to be met from business rates and Revenue Support Grant (RSG). On 19th December 2017 the Secretary of State announced details of proposed support for the next 3 years as part of the Provisional Settlement, i.e. up to 2019/20 and the MTFs has been based on this Settlement. Assumptions have been made that the funding follows a similar pattern in 2020/21. In the MTFs an assumption has been made that there will not be a Revenue Support Grant from 2020/21 as a result of the latest information available following the provisional financial settlement in December 2017.

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
SFA Funded by:	258.456	239.244	219.201	189.570	192.896
Revenue Support Grant		56.980	32.894	0.000	0.000
Business Rate Baseline		182.264	186.307	189.570	192.896
Total	258.456	239.244	219.201	189.570	192.896
Cumulative reduction in SFA		-19.212	-39.255	-68.886	-65.560

As the County Council opted not to accept the four year settlement offered in 2016/17, the decision could result in future years grant being subject to change. As part of this forecast Revenue Support Grant is assumed to reduce each year until ultimately it is phased out completely by April 2020 at the latest. It is hoped that, as part of the new funding formula and 100% business rates retention the County Council will be compensated for the removal of RSG and the new scheme that is put in place will be cost neutral. This will become clearer as more information becomes available.

In his Budget in November, the Chancellor of the Exchequer announced growth for 2018 is forecast to be 1.4%, down from a previous forecast of 1.6%. Growth, in future years, is forecast to hit a low of 1.3% in 2019-20, and is not expected to improve until 2021-22. The uncertainty following the United Kingdom's decision to leave the European Union, will undoubtedly have an impact on Government finances and could potentially result in further public sector expenditure reductions.

2.2 Business Rates

Business Rates income consists of:

- Business Rates Top Up Grant
- Business Rates income from District Councils
- Section 31 Grants

As shown in the table above detailing the SFA the business rate income is a significant portion of funding to local authorities. The baseline is an assessment of the business rate income required to meet service needs. For the County Council, the amount anticipated to be received from the business rates collected in the area is less than its assessed need, therefore it receives a top up grant. There have been changes to the business rates baseline as part of the provisional financial settlement due to changes to the multiplier calculation, however any change to the grant is anticipated to be met by an increase in Section 31 grants.

Business Rates income for the County Council is heavily dependent upon cooperation from the District Councils, and much will depend on the general economic performance of local areas. In addition, there are valuation appeals outstanding, some of which are on large value properties. If successful these will have a negative impact on the ability to generate business rates. With this in mind a minimal amount of growth has been built into the local share.

The baseline data from the government already assumes an increase in income derived from local business rates. Therefore given the economic uncertainty, no further growth has been built in on top of this.

The Government compensates authorities for the cost of a number of measures which they have introduced via Section 31 grant such as small business rates relief and the multiplier cap. Some of these reliefs are likely to rise with inflation as without the measure introduced, the income would have increased, whereas the other reliefs are more likely to relate to the change in the business rate base. It is assumed that the level of these reliefs is maintained at the current level in addition to the extra grants anticipated noted above.

The Lancashire Business Rates Pool

The final aspect of the business rate forecast is the pooling arrangement. The 2017/18 budget included an additional £0.407m due to the continuation of a Lancashire Pool. This was recently agreed for 2018/19, with an additional district re-joining the pooled arrangement. An estimated income of £0.500m has been included in the 2018/19 budget to reflect this arrangement.

It is important to note that due to the County Council being part of a pooling arrangement it has forfeited the right to a safety net payment should our business rates income decline significantly, by more than 7.5% (this is considered to be a low risk given the current membership of the pool).

2.3 Council Tax

In the Provisional Financial Settlement in December 2016, in recognition of the pressures facing Local Authorities responsible for Adult Social Care, the Secretary of State announced that Local Authorities could bring forward the Adult Social Care Precept, moving from a limit of 2% to 3%, but with a maximum of 6% over the three year period (2017/18 – 2019/20). It was previously announced that there would be no Adult Social Care Precept in 2020/21.

As part of the Provisional Financial Settlement in December 2017, also in recognition of the growing pressures for local government services, the Secretary of State announced that Council's had the ability to increase Council Tax by a further 1% without a local referendum for both 2018/19 and 2019/20 bringing the available increase in line with inflation.

The MTFS presented to Cabinet in December included the assumption that Council Tax would increase by 1.99% per annum which is the current referendum limit, plus a 2% Adult Social Care Precept increase in 2018/19 and 2019/20.

As part of this MTFS a 3% Adult Social Care Precept is included in 2018/19 and therefore a 1% increase in 2019/20 is included as a result flexibilities offered by the Government, and will result in c£4.4m of income being generated earlier, but by 2019/20 the cumulative position of income raised through Council Tax will be similar to the current MTFS projections. In addition, following the new flexibilities announced by the Secretary of State in December 2017, this MTFS also includes a further 1% that can now be added without the requirement for a referendum. This has also been included for 2019/20, but in no further years, as this was not offered as part of the additional flexibility.

From 2020/21 onwards, it is assumed that the maximum increase will revert back to 1.99%, as the option to raise an Adult Social Care precept will no longer be available and the additional 1% flexibility without the requirement for a referendum is also not currently permitted. Council Tax increases are subject to a Full Council decision each year when setting the budget, but any decisions taken not to increase council tax as per the assumptions above would increase the financial gap.

Tax Base

Analysis of Lancashire's tax base over recent years indicates an average council tax base increase of 1.7% therefore, in the MTFs at Quarter 1 a prudent tax base increase of 1.5% was built in to the figures.

At the end December estimates of the 2018/19 tax base for district councils were received that indicate a c1.7% increase, these figures will be finalised on 31st January 2018. For the purposes of this MTFs these early estimates have been included, resulting in an improved position of £0.965m in 2018/19.

2.4 New Homes Bonus

As part of the provisional settlement, the Secretary of State confirmed that, as consulted on in 2016, that payments would be received for 5 years from 2017/18 and 4 years in future years. In addition no New Homes Bonus will be given for the first 0.4% of growth. As part of the Provisional Settlement there was an increased allocation of £0.038m in 2018/19 with all other years remaining unchanged.

2.5 Better Care Fund

The provisional allocations of the Better Care Fund remain unchanged from those reported to Cabinet in December 2017. It is important to note that provisional funding information has only been provided up to 2019/20 therefore the MTFs assumes that this funding will continue into future years and/or be replaced by alternative funding at the same level.

2.6 Capital Receipts

From 1st April 2016 the Government introduced the flexibility for capital receipts to be used to fund revenue expenditure which meets certain criteria. To meet the qualifying criteria the revenue expenditure needs to relate to activity which is designed to generate ongoing revenue savings or to transform a service which results in revenue savings or improvements in the quality of provision.

As part of the Provisional Settlement in December 2017 it was announced that flexibility to use capital receipts to help meet the revenue costs of transformation programmes will continue for a further three years.

Following a review of the potential capital receipts that could be achieved the MTFs has been updated to reflect additional capital receipts that the County Council is forecast to achieve in addition to those receipts that can be achieved in later years, given the additional flexibility recently announced.

The MTFs previously reported a value of £16.025m was included for capital receipts to support the revenue budget in 2018/19, with no receipts in future years. In this revision of the MTFs £18.525m is now included in 2018/19 and £8.475m in 2019/20 and £9.672m in 2020/21. Any amounts over the amount forecast can be carried over towards the following year.

2.7 Improved Better Care Fund (iBCF)

At the 2017/18 Budget announcement a total of £2.021bn was announced as supplementary funding to the improved Better Care Fund (iBCF). This was to recognise that all local authorities face pressure on the provision of adult social care. There were no amendments to these figures announced as part of the provisional settlement in December 2017.

This resulted in Lancashire County Council receiving the following allocations:

- 2017/18 – £24.886m
- 2018/19 - £15.736m
- 2019/20 - £7.799m

The grant is non-recurrent and may only be used for the purposes of meeting adult social care needs, reducing pressure on the NHS including supporting more people to be discharged from hospital when they are ready and in ensuring that the local social care provider market is supported. Lancashire Health and Wellbeing Board on 7th August 2017 agreed spending plans that were put forward with regard to the grant for 2017/18 and 2018/19.

3. Net Spending Pressures

The MTF5 covers spending pressures including pay increases, contractual inflation, increased demand for services and the impact of previously agreed savings measures that are either no longer achievable at all or not to the scale or in the timeframes originally planned and new savings proposals.

3.1 Pay and Pensions

In December 2017 it was announced by the National Employers for Local Government Services that, following negotiations a new pay offer covering the period 1 April 2018 and 31 March 2020.

The new pay offer for 2018/19 includes higher increases on the lower pay points (with a view to closing the gap with the National Living Wage) and includes a 2% increase for those at SCP20 and above (for information SCP20 is currently the top of a Grade 5).

In 2019/20 the new pay offer proposes that Local Government organisations move to a new pay spine with the most key change being at the lower end of the pay spine, where the bottom twelve pay points are put into pairs to come up with six new pay points. This has been done to maintain the differentials within the pay spine. The new pay spine also includes a higher number of increments within some pay grades. This also meets the National Living Wage target at £9.00 per hour for the bottom scale point.

In the previous MTF5 a forecast increase of 1% for all employees except those employees on the Foundation Living Wage, for which a higher increase of 3.55% was included to reflect the recently announced increase for 2018/19. This has resulted in an additional £4.661m being built into the MTF5 in 2018/19, with a further £3.919m in 2019/20. A reduction of £1.383m is shown in 2020/21 and a further £1.856m in 2021/22 as a result of salary increases being brought forward by the new pay increase and pay spine.

As part of the review of the MTF5 a resource requirement has been built in to fund the cost of increments that will be paid to staff as they progress up their respective grades.

In March 2017 Cabinet agreed to a re-profiling of the Council's pension contributions resulting in a saving over a 3 year period. This is reflected within the MTF5 based on the latest information available in relation to the County Council's estimated contribution rate and deficit contributions.

The Chancellor has previously announced that an apprenticeship levy would be introduced to help fund employer apprenticeship schemes and "invest in Britain's future." The levy was introduced in April 2017 at a rate of 0.5% of an employer's pay bill, therefore an estimate of £1.500m was been included in the MTF5. This was reviewed at Quarter 1 based on payments to the levy and the 2018/19 budget provision was slightly reduced. There have been no further adjustments at Quarter 2 or 3.

The table below presents the amounts built into the MTFS for pay and pensions:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Pay and Pensions - previous MTFS	3.998	6.448	8.799	6.661	25.906
Employee Costs	11.293	10.280	4.723	4.411	30.707
Pensions Costs	0.361	0.374	0.374	0.374	1.483
Apprentice Levy	-0.248	0.025	0.013	0.013	-0.197
Holiday Pay	-0.767	0.007	0.007	0.007	-0.746
Pension Prepayment Saving	-1.980	-0.319	2.299	0.000	0.000
Revised Pay and Pension requirements	8.659	10.367	7.416	4.805	31.247
Impact on Financial Gap	4.661	3.919	-1.383	-1.856	5.341

3.2 Price Inflation and Cost Changes

Contractual price increases represent a significant cost pressure to the council. The assumptions have been subject to regular review by services with a reduction of £0.663m identified when comparing the values within the previous MTFS reported to Cabinet in December 2017.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Price inflation – previous MTFS	24.263	19.848	25.992	21.730	91.833
Revised price inflation requirements	23.898	19.955	25.822	21.495	91.170
Impact on Financial Gap	-0.365	0.107	-0.170	-0.235	-0.663

Some of the key areas of price pressure are:

- A significant part of the price pressures shown in the above table relate to inflationary pressures within Adults Services. This is calculated using the best estimates of inflationary levels that are forecast within social care based on 2017/18 fee increases that are subject to approval at Cabinet in January 2018. It is forecast that a budget requirement of £64.122m over the MTFS period is required for payments to external providers of social care and it is important that the County Council keeps up with increases in the price of resources for suppliers to ensure the required service provision is delivered.

The price/inflationary increases for Adults Services incorporates the National Living Wage as this is generally included within price increases that the service experiences.

The price inflation included in the MTFS for Adults Service is profiled as follows:

- 2018/19 - £15.723m
- 2019/20 - £16.161m
- 2020/21 - £18.442m
- 2021/22 - £13.796m

There are no changes to the forecast price increases across Adults Services at Quarter 3.

- Waste Disposal continues to require significant budget to meet inflationary commitments over the next four years. In total the budget requirement for the service is £6.135m. This reflects a reduction of £0.811m over the period of the MTFS compared to the MTFS at Quarter 3.
- Children's Social Care is a further significant area that requires price inflation within its budget. In total the budget requirement for the service is £5.815m. This includes items that will inflate such as agency payments, residence orders, foster and other allowances and payments to health. There are no changes to the forecast price increases across Children's Social Care at Quarter 3.
- A further significant inflationary increase that is included in the MTFS relates to premises running cost budgets which were included at Quarter 1. As charges such as energy costs increase estimates of price rises have been included within this MTFS with 2018/19 including 2 years inflation as no provision was made in the 2017/18 budget. The total budget requirement is £3.992m over the 4 year period of the MTFS. There are no changes to the forecast price increases across premises running costs at Quarter 3.
- Other smaller areas of price inflation include transport costs, concessionary travel, highways, winter maintenance, energy and legal fees.

3.3 Demand Pressures

All services have reviewed the demand pressures they face in future years. The impact of this review has been identified and is reflected in the revised MTFS. It can be seen that a significant proportion of the funding gap that has been identified is due to demand pressures.

In total it is estimated that the demand pressures are now £84.999m. This is an increase of £4.236m when comparing those years contained within the previous MTFS reported to Cabinet in December 2017.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Demand – previous MTFS	22.980	23.194	20.617	13.972	80.763
Revised Demand Requirements	26.415	23.429	20.848	14.196	84.888
Impact on Financial Gap	3.435	0.235	0.231	0.224	4.125

- Adult Social Care represents a large proportion of the demand pressures. Adult Social Care has long seen annual increases in the demand for services and the MTFS attempts to predict growth in future years largely based on reviewing current and past activity trends but also taking into account future population changes. From "a social care perspective" demand covers both increasing numbers of people eligible for support and the increasing complexity of those supported reflected in higher average costs per service user.

All demand assumptions contained within this revised MTFS regarding Adult Social Care have been reviewed based on the most up-to-date trend analysis. There is a small increase to the forecast demand levels across Adults Services at Quarter 3 based on the most up to date information available.

The demand included in the MTFS for Adults Service is profiled as follows:

- 2018/19 – £12.287m
- 2019/20 - £14.957m
- 2020/21 - £17.358m
- 2021/22 - £11.098m

It is important to note, that whilst the above are the levels of demand contained within the MTFS, in addition a saving has been agreed that will reduce demand over the next 3 years, as shown below:

- 2018/19: - £5.022m
- 2019/20: - £7.279m
- 2020/21: - £9.201m

- The cost of Children's Social Care continues to experience increasing demand and has been increased again as part of this update of the MTFS. The forecast requirement is £21.920m over the next 4 years. This is in addition to significant additional budget that the service has been given to support improvements following the Ofsted inspection in both 2016/17 and 2017/18, but an assumption

is also made that demand will plateau in future years, with a reducing demand increase built into future years' budgets. In previous MTFS reports an increase has only been included for the next financial year, whereas in this revision 4 years of forecast demand levels has been included. This forecast is based on current demand levels and uses benchmarking information from other County Council's and national data in relation to Children Looked After (CLA) budgets to project future funding requirements.

The increase that has been included in the MTFS at Quarter 3 relates to additional levels of demand across placements based on the most recent demand figures that are being experienced. This has resulted in increased demand of £2.800m being included in 2018/19. This will continue to be monitored and reviewed.

The demand included in the MTFS for Children's Social Care is profiled as follows:

- 2018/19 - £12.784m
- 2019/20 – £6.502m
- 2020/21 - £1.237m
- 2021/22 - £1.397m

A Finance Sub-Group has been established to specifically focus on the cost drivers, unit costs and financial analysis of the costs and demand levels being experienced in Children's Social Care, with their findings being reported back to the 0-25 Board (now renamed the Improvement and Accountability Board).

- The revised MTFS continues to include a significant amount in relation to Waste Services demand pressures, however this has reduced as a result of decreased forecasts for residual waste arisings with 3.2% currently being forecast (compared to a previously assumed 5.4%). The budget requirement for waste is forecast to be £4.511m over the next 4 years, and is a reduction of £0.426m compared to MTFS reported to Cabinet in December 2017.
- Other smaller areas of increased demand at Quarter 3 include transport (£0.378m) and street lighting energy, which have both seen increases in demand at Quarter 3 (£0.251m).

3.4 Loss of Grant

As part of the revised MTFS at Quarter 3 a small adjustment was made to reflect an income pressure within Scientific Services and Trading Standards of £0.128m.

3.5 Additional Savings

As the County Council continues to have a significant and increasing financial gap over future financial years a detailed review has been completed of service budgets. This resulted in savings of £51.304m being included and agreed as part of the MTFS at Quarter 1, savings of £11.534m agreed at Quarter 2 and a further £7.112m agreed at December Cabinet. The total agreed savings to date is therefore £69.950m.

This process has resulted in additional proposed savings totalling £11.140m (over the next 3 years) set out in Appendices C and D. The figures presented within the revised MTFS from 2018/19 onwards are presented on the assumption that these budget proposals are agreed by Cabinet, subject in the case of the budget proposals set out in Appendix C to appropriate consultation, the outcomes to be reported back to Cabinet for a final decision in due course.

It is anticipated that further savings proposals will be presented for approval at future Cabinet meetings, reflecting that there remains an estimated shortfall of £48.886m in 2018/19 should savings in this report be agreed and delivered.

4. Reserves

Table 1

Reserve Name	Approved at Full Council Feb 2017	2017/18 Forecast Spend	2017-18 transfers to / from other reserves	2017/18 Forecast Closing Balance	2018-19 Forecast Spend	2019-20 Forecast Spend	Total as at 31 March 2020
	£m	£m	£m	£m	£m	£m	£m
County Fund	-36.000	2.373	10.000	-23.627	0.000	0.000	-23.627
SUB TOTAL - COUNTY FUND	-36.000	2.373	10.000	-23.627	0.000	0.000	-23.627
Strategic Investment Reserve	-4.446	1.283	0.037	-3.126	1.240	0.410	-1.476
Downsizing Reserve	-18.913	2.653	1.431	-14.829	3.762	0.000	-11.067
Risk Management Reserve	-10.439	3.768	3.001	-3.670	3.670	0.000	0.000
Treasury Management Reserve	0.000	0.000	-10.000	-10.000	0.000	0.000	-10.000
Transitional Reserve	-159.014	39.695	-9.920	-129.239	5.860	0.578	-122.801
To facilitate the transition of services	-3.000	0.000	3.000	0.000	0.000	0.000	0.000
Service Reserves	-13.038	2.604	2.441	-7.993	3.571	0.501	-3.921
SUB TOTAL - LCC RESERVES	-208.850	50.002	-10.010	-168.858	18.103	1.489	-149.266
Schools/Non-LCC Service Reserves (3.5)	-18.989	1.263	0.010	-17.716	1.011	-0.687	-17.392
SUB TOTAL SCHOOLS/NON LCC RESERVES	-18.989	1.263	0.010	-17.716	1.011	-0.687	-17.392
GRAND TOTAL	-263.839	53.638	0.000	-210.201	19.114	0.802	-190.285

The County Fund shown at the top of Table 1 is the balance set aside to cover the authority against a serious emergency situation (e.g. widespread flooding); a critical and unexpected loss of income to the authority and for general cash flow purposes. In considering these various factors the County Council is forecast to hold a County Fund balance at £23.627m by the end of 2017/18.

Part of this reserve has been used to support the budget amendment agreed by Full Council in July 2017 totalling £3.995m in 2017/18, which now requires a reduced

balance of £2.373m. In addition £10.000m has been set aside within a reserve to mitigate possible risks within the Treasury Management investment portfolio.

This reduction to the County Fund balance was on the basis that this is still a prudent and reasonable amount to keep in the County Fund for emergency situations as described above with benchmarking of other Local Authorities completed to support the reduction.

The table above shows that the forecast value of the uncommitted Transitional Reserve is currently £122.801m and whilst it is anticipated that further revenue savings for 2018/19 and beyond will be identified, the impact of utilising the Transitional Reserve to fund the £48.886m gap would leave £69.885m available for use in 2019/20 based on current forecasts. Table 2 within the report demonstrates the funds that are forecast to be available to support the budget gap in 2018/19 and 2019/20. However, in order to set a legal budget further savings will need to be made.

Table 2

	2018-19 £m	2019-20	2020-21 £m	
<i>MTFS Funding Gap</i>	48.886	69.885	118.532	
Available reserves to support financial gap	48.886	69.885	4.030	122.801

5. Future Risks

In addition to the economic uncertainty post-Brexit outlined earlier in the report, the following are key future risks, the full impact of which is not known at this stage:

5.1 Agreed Savings Plans Delivery

The scale of agreed savings is hugely significant given both the scale and areas covered, and there are inherent risks in their delivery (2017/18 – 2020/21 c£54m). Any significant under-delivery of agreed savings will create an additional funding gap and impact on the ongoing and longer-term financial health of the Council. This has been identified as one of the highest level risks in the Risk and Opportunity Register. There are comprehensive arrangements in place to track delivery of financial savings and take corrective actions where required.

5.2 Identification of Further Savings Opportunities

As detailed earlier in this report, additional potential savings options have been prepared for every area of the Council's expenditure. In the reports agreed by Cabinet throughout this financial year, c£70m of savings were agreed to be implemented with further savings proposals to be considered at future Cabinet meetings, reflecting that there still remains an estimated shortfall of £48.886m in 2018/19 even if the savings in this report are agreed and delivered in the timeframes identified.

5.3 Business Rates Retention / Changes to Funding Formula

In 2015 the Chancellor announced that local government as a whole would be able to keep 100% of business rates by 2020. Using Office for Budget Responsibility (OBR) forecasts the Government has estimated that additional business rates kept by councils will be c£13bn by 2020/21 with the intention to transfer new responsibilities to local government to ensure cost neutrality overall of the funding changes. There is currently a system of redistribution (top-ups and tariffs) to reflect there are councils with relatively higher needs but lower income from business rates and vice versa. The Secretary of State for Communities and Local Government has also announced a full review of needs and redistribution which will be used as the starting point for the new system when it comes into force.

The County Council currently receives a top-up grant, primarily as a result of having Adult Social Care responsibilities, and although work is progressing nationally with a number of complete and planned consultations regarding the changes, there is currently insufficient information available to model what the financial impact of the changes will be and the financial impact on the County Council.

5.4 Children's Social Care

Children's Social Care demand levels are currently forecast to continue to increase, particularly within agency residential placements, agency fostering placements and also Special Guardianship Orders. The establishment of the 0-25 Programme Board

(now renamed as the Improvement and Accountability Board) and a supporting Finance Sub Group are critical in analysing the current and future levels of demand and working to develop demand management across the service.

Significant additional budget was allocated to Children's Social support improvements and demand pressures following the Ofsted inspection in both 2016/17 and 2017/18. An assumption is also made that demand will plateau in future years, with a reducing demand increase built into future year's budget. This MTFS is based on current demand levels and uses benchmarking information from other County Councils and national data in relation to Children Looked After budgets to project future funding requirements and will continue to be regularly reviewed.

**Money Matters -
Additional Savings 2018/19 – 2020/21
Cabinet January 2018**

	Contents	Page
1	CYP001b – SCAYT+	3
2	CYP015 - YOT	17
3	CMTY024 – COMMUNITY TRANSPORT	30
4	CMTY026b – DISCRETIONARY CONCESSIONARY TRAVEL	57
5	PH012 – CRIME AND DISORDER	68
6	PH015 – CHILDREN AND FAMILY WELLBEING SERVICE	81

**CYP001b – SUPPORTING CARERS OF CHILDREN AND YOUNG PEOPLE
LOOKED AFTER TOGETHER (SCAYT+)**

Service Name:		SCAYT+	
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21		2018/19	
Gross budget 2017/18		£0.638m	
Income 2017/18		£0.000m	
Net budget 2017/18		£0.638m	
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.225	-0.225	-0.000	-0.450
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	<p>Agree to redirect the work of SCAYT so it generates income by providing specialist multi-agency assessment and intervention to children and families who attract funding from the Adoption Support Fund. These are:</p> <ul style="list-style-type: none"> • Children who are on a placement order and are placed with their adoptive parents. • Children who are subject to a Special Guardianship Order and who were looked after prior to the making of the order. <p>Please note this could potentially be a 2 year saving unless the adoption support fund is extended. At this stage it has been assumed that this saving is recurrent.</p>		
Impact upon service	<p>SCAYT+ currently provides support to carers and parents of looked after children and adopted children to help them understand the reason for the child/young person's behaviours and give them tools to help manage those behaviours. The service also provides direct therapeutic support to some of the more damaged looked after children.</p> <p>SCAYT+ does receive some funding from the National Adoption Support Fund (ASF) for specific work with adopted children. If the work that SCAYT+ undertook focused more upon the therapeutic work with children who would attract funding from the ASF this would release some pressure on the budget whilst maintaining</p>		

	<p>a service to looked after children, albeit this service would be reduced.</p> <p>SCAYT+ would provide support to Children who are placed with their adopted family and the proposed adopters at an increased level than they have done previously.</p> <p>They would also provide support to children and carers where there is a Special Guardianship Order in place and the child was looked after immediately before the order.</p> <p>Whilst this would provide additional support to a group of children currently not under the remit of SCAYT+, and thus support keeping families together and reducing the need for social care intervention, it will reduce the capacity within the team amount to support carers of looked after children through difficult periods when in crisis.</p> <p>The predicted impact will be:</p> <p>Positive Impact</p> <ul style="list-style-type: none"> • Decrease in breakdown of placements for children who are subject to Special Guardianship Order, which often result in Children's Social Care providing costly placements or at the least foster placements. • Decrease in need for Children's Social Care intervention at level 4 at a later stage in the child's life. • Increase in the emotional wellbeing and educational attainment of this cohort of children. <p>Negative Impact</p> <ul style="list-style-type: none"> • Possible increase in placement breakdowns for looked after children, but the service would still support some Looked After Children. • There is a risk that as young people experience more placement breakdowns the costs of future placements increases. • Lack of ability to challenge court requested therapeutic services. • Children and Young Peoples' emotional needs remain unmet; increase in risk taking behaviour, self-harming behaviour, poor emotional and mental health.
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	<ul style="list-style-type: none"> • Future costs to adult services as young people enter adulthood with unmet emotional and mental health needs.
<p>Actions needed to deliver the target savings</p>	<ul style="list-style-type: none"> • Review and change the eligibility criteria for access to the service. • Ensure that every request for therapeutic support that attracts funding from the Adoption Support Fund is directed to SCAYT+ where possible. • SCAYT+ to provide the multiagency specialist assessment that attracts the £2,500 funding. • SCAYT + to provide the intervention agreed that attracts up to £5000 of funding per child/family. <p>Delivery of service under this eligibility criteria only has funding until 2020 if this is not extended then the funding would cease.</p>
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>Cost The service will only generate income if they are proactively and innovatively selling themselves. This can be mitigated against by assurance from the service that the Adoption Support Fund is being invoiced for completed work by the team.</p> <p>Impact on children and young people currently in care</p> <ul style="list-style-type: none"> • Possible increase in placement breakdowns. • Possible unmet emotional and mental health needs. <p>The above will be mitigated to a degree by targeting Family Support placements where risk of breakdown is identified.</p>

What does this service deliver?

SCAYT+ provides a targeted service of advice on emotional health and wellbeing to children looked after, foster carers, residential and other child care staff. The service helps to:

- Improve the emotional health and wellbeing of Lancashire's children who are looked after/ adopted and whom Lancashire has a responsibility.
- Increase the understanding about emotional health and wellbeing issues for children and young people who are looked after/ adopted amongst all those working within the professional and carer network.

- Maintain a professional training programme for foster carers, adopters and staff to ensure the services are equipped to deliver quality care to children and young people.
- Provide therapeutic advice and support to the carers of looked after children and young people.
- Provide therapeutic support to children and young people post adoption who have been assessed as needing a service.
- Support in assessing children and young people's emotional health needs.
- Provide therapeutic support directly to children and young who have emotional health needs.
- Provide advice and guidance to professionals working with children with emotional health needs.

From April 2016 to March 2017, 364 children and young people were referred to the service :

305 were Children in Care, 50 were children who had been adopted, 9 were children who were waiting adoption.

Section 4

Equality Analysis Toolkit

CYP001b: SCAYT+ income generation
For Decision Making Items

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Redirect a proportion of the work of SCAYT + to work with more children who would attract monies from the Adoption Support Fund.

What in summary is the proposal being considered?

The proposal is to redirect a proportion of the work of SCAYT+ so it generates income by providing specialist multi-agency assessment and intervention to children and families who attract funding from the Adoption Support Fund (ASF).

SCAYT+ would provide support to Children who are placed with their adopted family and the proposed adopters at an increased level than they have done previously.

SCAYT+ would also provide support to children and carers where there is a Special Guardianship Order in place and the child was looked after immediately before the order.

Whilst this proposal will provide additional support to children currently not under the remit of SCAYT+, and thus support keeping families together and reducing the need for social care intervention, it will reduce the capacity within the team to support carers of looked after children through difficult periods when in crisis.

From April 2016 to March 2017, 364 children and young people were referred to the service. 305 were Children in Care, 50 were children who had been adopted, and 9 were children who were waiting adoption. Assuming 1/3 of capacity is redirected, this could mean that around 120 fewer Children Looked After, or their carers, would be able to access the service.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The proposal will affect people across the County. However given there are more children who are in care in East Lancashire and Central Lancashire than in North of Lancashire it is expected that Children in Care from the East and Central are more likely to be affected.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality

- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes. The proposal will impact on children and young people.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

From April 2016 to March 2017, 364 children and young people were referred to the service. 305 were Children in Care, 50 were children who had been adopted, and 9 were children who were waiting adoption. Assuming 1/3 of capacity is redirected, this could mean that around 120 fewer Children Looked After, or their carers, would be able to access the service.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

There has been no consultation to date. Consultation will need to take place with stakeholders/partners and young people. This is proposed to be done through an engagement day with stakeholders/partners and young people.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

The proposal is likely to impact upon the emotional wellbeing of looked after children as access to specialist/targeted support for carers of children looked after and, on occasion, therapeutic services would not be as readily available.

This could lead to an increase in breakdowns of placements and place a vulnerable group of young people at heightened risk to emotional harm and worsened life chances.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Yes. Investment in and access to services to support children and young people's emotional wellbeing and mental health is a key priority for the Sustainability and Transformation Partnership, Health and Wellbeing Board and the Lancashire Safeguarding Children's Board who have challenged the System as a whole to improve access to services for those who need them and provide interventions earlier, for those that need them.

Reprioritising funding away from support for carers of children looked after has the potential to result in carers not being supported to help children looked after improve their mental health, helping to avoid crisis and to support them through crisis where necessary. Whilst most of the work of SCAYT+ is with carers, there are occasions when SCAYT+ will work directly with children and young people. This proposal may place pressure on the wider system, which is already challenged.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

The proposal is unchanged given the need to bridge the financial gap in the Medium Term Financial Strategy.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Potential mitigation is through:

- Consultation with stakeholders and children and young people.
- Provide 3 month notice period to any service or child involved with SCAYT+ and refer for assessment those considered to be in need of service to NHS funded Child and Adolescence Mental Health Services or, where thresholds for this service are not met, the County Council's Emotional Wellbeing Services delivered as part of the Children and Families Wellbeing Service.
- Ensure that all cases are subject to rigorous review to identify whether they meet the eligibility criteria for Adoption Support Fund funding and that Adoption Support Funding is secured in all appropriate cases.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The driver for this proposal is to support the County Council in bridging the financial gap that exists in the MTFs.

Whilst the option will reduce the availability of support for Children Looked After and their carers, the majority of the SCAYT+ service activity will still be directed to that cohort. Also, by seeking to increase the level of activity funded from the Adoption Support Fund we will be able to sustain current structures for the duration of that funding, meaning that some flexibility is available to provide an appropriate response in times of crisis. There may though be in excess of 100 children and young people or their carers who are no longer able to access the service each year and who will either not receive a service or who will need to be referred to already stretched alternatives. There is likely to be considerable challenge from Partners within the Children and Young People's Emotional Wellbeing and Mental Health Transformation Programme to the proposed reduction in service.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

Re direct a proportion of work so that similar service is provided to a different cohort of children who attracted ASF monies and are likely to currently be without service or LCC are commissioning these service from the independent sector.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Head of Service to monitor
Business Intelligence to provide data to monitor
Finance to monitor
Evaluate impact of service

Equality Analysis Prepared By Josephine Lee (Senior Strategic Manager Childrens Social Care) / Dave Carr (Head of Service: Policy, Information and Commissioning (Start Well)

Equality Analysis Endorsed by Line Manager and/or Service Head

Decision Signed Off By

Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact:
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

CYP015 – YOUTH OFFENDING TEAM (YOT)

Service Name:	Youth Offending Team (YOT)		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£3.405m		
Income 2017/18	£2.062m		
Net budget 2017/18	£1.343m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.336	0.000	0.000	-0.336
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	<p>Youth Offending Team functions are statutory and therefore must be delivered. Savings cannot be achieved by cutting functions, and the service would wish to consider bringing currently commissioned functions. Currently the service commissions prevention work via funding from the Police and Crime Commission. In the recent peer review this was considered an inspection risk and a recommendation was made that Lancashire's Youth Offending Team should have management oversight of the delivery of prevention services.</p> <p>The numbers of young people who are first time entrants to the youth justice system has declined and therefore the service is in a position to contribute to the budget savings. A full service restructure would be necessary to enable a 25% reduction in Lancashire County Council's contribution to the budget.</p> <p>It is considered that if Lancashire County Council (LCC) reduce its contribution to the budget, partners will do likewise. Therefore the total reduction to the service is likely to be greater.</p>		
Impact upon service	<p>The 2017/18 contribution from LCC is £1,343,337 and a 25% reduction on this would mean a contribution of £1,007,503 from 2018/19. However, it is important to consider that in light of LCC making a reduction of 25% it is likely that all other partners would expect to make a</p>		

	<p>reduction of a similar amount. As we have already seen this financial year the Health Service is already looking to reduce their contributions (and have in the North of the county) and it is likely that the Police are looking to do the same in the next few years.</p> <p>The table below shows the partner contributions and how it would look if they were to reduce by 25%:</p> <table border="1" data-bbox="587 495 1386 804"> <thead> <tr> <th>Partner</th> <th>Contribution 2017/18</th> <th>25% reduction</th> </tr> </thead> <tbody> <tr> <td>Youth Justice Board</td> <td>£1,356,763</td> <td>£1,017,572</td> </tr> <tr> <td>Health</td> <td>£218,112</td> <td>£163,584</td> </tr> <tr> <td>Bail Support</td> <td>£144,500</td> <td>£108,375</td> </tr> <tr> <td>Police</td> <td>£155,100</td> <td>£116,325</td> </tr> <tr> <td></td> <td>£1,874,475</td> <td>£1,405,856</td> </tr> </tbody> </table> <p>To achieve the savings outlined above a full service restructure would be required, amounting to a total of £0.804m. The service last restructured in September 2016, the impact of which was considerable for some staff.</p> <p>A further restructure will impact on service and staff morale and compulsory redundancy is likely.</p> <p>Service delivery may be impacted upon during the period of restructure and increase risk if inspected.</p> <p>If offending rates do increase the service may not be able to fulfil its statutory functions.</p>	Partner	Contribution 2017/18	25% reduction	Youth Justice Board	£1,356,763	£1,017,572	Health	£218,112	£163,584	Bail Support	£144,500	£108,375	Police	£155,100	£116,325		£1,874,475	£1,405,856
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Police	£155,100	£116,325																	
	£1,874,475	£1,405,856																	
<p>Actions needed to deliver the target savings</p>	<p>The Youth Offending Team is joint funded by LCC and statutory partners, governance is from the Youth Justice Partnership Board. The Board will need to be fully involved in any service proposals and will need to sign off and future savings targets. It will be imperative that the Board is consulted as options are being developed.</p>																		
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>Partners are likely to reduce their funding contribution to match the LCC reduction in budget. This would need to be factored in within any restructure design.</p> <p>Risk that first time offender rates increase again and the service has not got the capacity to fulfil court directed responsibilities. First time offender rates are at an all-time low. The numbers of young people in custody has also significantly reduced but recently has started to increase again. There is no foreseeable mitigation against changes to police/ court activity, however</p>																		

	<p>investing in prevention services in the Youth Offending Team would support managing young people away from criminal justice.</p> <p>Risk that service delivery will be impacted upon during and post a restructure and staff leave</p> <p>Consultation and good communication throughout the restructure can mitigate to a degree.</p> <p>Loss of knowledge and experience in Youth Offending Team, can be mitigated to a degree by engagement with staff.</p>
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What does this service deliver?

Lancashire Youth Offending Team (LYOT) delivers statutory youth justice services in Lancashire. The service is measured against other YOTs and against three national targets;

- Reduction of first time offenders
- Reduction of reoffenders
- Reduction of number of young people in custody

LYOT has recently had a peer review which recommended bringing preventative services under the management and control of the service.

LYOT provides reports to the courts, and delivers interventions as directed by the court to young people involved in criminal behaviour.

LYOT has responsibility to supervise young people on orders and in Custody
The service works to National Standards and is subject to inspection by HMIP

Section 4

Equality Analysis Toolkit

CYP015: Budget savings to YOT
For Decision Making Items

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Reduction in the contribution to the Youth Offending Team from Lancashire County Council.

What in summary is the proposal being considered?

Lancashire County Council's contribution to the Youth Offending Team budget to be reduced by 25%

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

Impact on young people involved within the criminal justice system, their victims and communities.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

The impact would be on young people aged 10 to 18 involved in the criminal justice system. Impact could extend to their victims and their communities.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

No consultation has taken place at this time. Should the proposal be agreed consultation will need to take place with the Lancashire Youth Justice Board and with all members of the service.

It is proposed that partners and board members would be told at the next board meeting, and asked to contribute ideas to an implementation plan.

Members of the service will be consulted and asked to contribute their ideas to an implementation plan.

Formal consultation on a plan would then be for a period of 3 weeks.

If the YOT budget is reduced from April 2018, consultation would need to commence within 2 weeks of the decision being made.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

Impact on Young People known to the criminal justice system including;

- Less contact with allocated worker
- Potentially additional travel to get to appointments if local bases are closed
- Reduced family work

Impact on victims including;

- Reduced service to victims

Impact on communities;

- Reduction of prevention work with young people increasing criminal behaviour in communities

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Potential to impact on police, courts, secure estates, children looked after if young people are not accessing services to support them desist from criminal behaviour.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

Original proposal to be continued and results of consultation to inform implementation plan.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

The number of young people becoming known to the criminal justice system has reduced both nationally and locally. Should this trend continue the savings can be managed with manageable impact on service delivery. Should the trend change however and numbers increase there would be a significant impact on the ability to deliver all statutory services.

Additionally a recent Peer review identified that there was capacity within the service.

Partners will reduce their funding contribution to match the LCC reduction in budget. This would need to be factored in within any restructure design.

Risk that first time offender rates increase again and the service has not got the capacity to fulfil court directed responsibilities. First time offender rates are at an all-time low. The numbers of young people in custody has also significantly reduced but recently has started to increase again. There is no foreseeable mitigation against changes to police/ court activity, however investing in prevention services in YOT would support managing young people away from criminal justice.

Risk that service delivery will be impacted upon during and post a restructure and staff leave/ lose focus. Impact of this if the YOT were to be inspected. Consultation and good communication throughout the restructure can mitigate to a degree. Loss of knowledge and experience in YOT, can be mitigated to a degree by engagement with staff.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

There is currently capacity to reduce the LCC contribution to the YOT budget. 25% does not appear an unrealistic amount but, this is likely to be matched by partner contributions which will necessitate a significant reduction to the YOT. Should the numbers of young people coming to the attention of youth justice increase capacity within the service would need to increase proportionately in order to respond.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

To continue with the proposal as set out in the cash limit template. The proposed reduction can be supported with manageable impact on the young people, victims and communities. Recognition is however acknowledged that if the numbers of young people coming to the attention of Youth Offending Team increase a reinvestment may be required.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Performance monitors impact on a quarterly basis.

Equality Analysis Prepared By Barbara Bath
Position/Role Head of Service, Fostering, Adoption, Residential and YOT
Equality Analysis Endorsed by Line Manager and/or Service Head

Decision Signed Off By

Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

CMTY024 – COMMUNITY TRANSPORT

Service Name:	Community Transport		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£1.003m		
Income 2017/18	£0.307m		
Net budget 2017/18	£0.696m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.254	-0.087	-0.050	-0.391
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	<p>Renegotiate the contract with the Community Transport consortium and revise the in-house Dial-a-Ride provision to provide a reduced service.</p> <p>Cease provision of the Burnley Employment Shuttle Transit (BEST - £0.031m). BEST is a dedicated, subsidised, taxi service connecting local people to employment where it has been assessed that there is no alternative public transport provision available. (Consultation on the withdrawal of this service has been completed). The service was initially grant funded, but has been subsidised by the budget for Community Transport since 2010/11.</p>		
Impact upon service	<p>Journeys for those who rely on door to door Dial-a-Ride services will be reduced.</p> <p>The viability of Community Transport may be put at risk resulting in additional services offered by the operators being lost.</p> <p>Eleven workers living in Burnley will no longer be able to access employment using the Burnley BEST service.</p>		
Actions needed to deliver the target savings	<ul style="list-style-type: none"> • Consultation followed by service notice on community transport operators. • Consultation with LCC drivers on reduced working hours. 		

	<ul style="list-style-type: none"> • Burnley BEST contract not retendered.
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>If the Lancashire County Council funding were to be reduced, the financial viability of the Community Transport operators could be compromised.</p> <p>A reduction in service will have a negative impact on users, many of whom have protected characteristics as set out in the Public Sector Equality Duty. These impacts are addressed in the accompanying Equality Impact Assessment.</p> <p>Employees currently relying on Burnley BEST may no longer be able to access their jobs.</p>

What does this service deliver?

Community Transport services are provided to eligible users by a consortium of Community Transport operators the consortium operates services in Ribble Valley, Preston and South Ribble, Chorley and West Lancashire under contract to Lancashire County Council. LCC's Travelcare provides an off-peak Dial-a-Ride service in the other six districts.

The consortium provides Dial-a-Ride which are door-to-door services within their operating areas, using vehicles specially adapted to make them easy to use. Vehicles are equipped with lifts and passenger restraints so that wheelchair users can travel without having to transfer to a seat. Services may run to a broad route and timetable. Customers are required to book these services at least 24 hours in advance.

Community Transport also provides a Community Car Scheme where volunteer drivers pick up pre-arranged bookings and take individuals to various appointments, as required.

Section 4

Equality Analysis Toolkit

**CMTY024 (1 of 2): Reduction in Dial-a
Ride/Community Transport Provision
For Decision Making Items**

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Reduction in Dial-a Ride/Community Transport Provision

What in summary is the proposal being considered?

Dial-a-Ride and Community Transport (CT) services are largely provided across Lancashire by a combination of in-house provision through the Travelcare service and through a contract with the Lancashire Community Transport (LCT) consortium. The proposal is to reduce County Council funding for these activities. Whilst CT operators obtain some funding through grant awards and other means, the overwhelming majority of funds come from the County Council.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

These changes are likely to have disproportionate effect on smaller communities and those living in rural areas.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

The proposal will have a disproportionate effect on people using the service with the protected characteristics of age, disability and, to a lesser extent, gender. The services provided by Lancashire Community Transport are largely provided by volunteers who may also have protected characteristics.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

Dial-a-Ride and other Community Transport services are extensively used by many of our more vulnerable citizens. There are more than 6,200 regular users who, between them, made in excess of 166,000 journeys in 2016/17. The rules for its use are that it is restricted to those who are unable to use conventional bus services or there is no provision. The services are door to door and are of particular help to those who are too frail to use bus services or may have a disability that makes it impractical as the services offer a high level of assistance to passengers boarding and alighting and with their luggage. The services are provided by five delivery partners: Burnley, Pendle and Rossendale CVS, Central Lancs Dial-a-Ride, Little Green Bus, Preston Community Transport and West Lancs Dial-a-Ride along with Lancashire County Council's Travelcare who provide off-peak Dial-a-Ride services in the remaining areas.

The services play a major role in promoting good health and wellbeing, reducing loneliness and isolation and help people access important services.

Lancashire Community Transport currently provides volunteering opportunities for over 160 people who contribute over 33,000 hours pa, equivalent to a financial contribution of approx. £400k per annum.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

Consultation will take place with service users, Lancashire Community Transport providers, community groups, local councils, MPs and volunteers.

Some comments supplied by LCT include:

Feedback from passengers includes:

- 'Community Transport is a real life-line and I don't know what I would do without it'.
- 'I am in my 90's, live alone and have poor health. I thought I was destined to spend the rest of my life as a prisoner in my home when Social Services told me about my local community transport. What a godsend, I am able to get my weekly shopping, go to medical appointments and visit places that I thought I would never see again'.
- I am in my late 80's, have a heart complaint and I live in a granny flat on my daughter's farm. She has breast cancer and is not well enough to look after me as well as the farm. Without community transport I would be totally isolated. I am now able go to medical appointments without worrying that I am putting unfair pressure on my family.'

Feedback from Volunteers:

- 'When I came to help out at community transport, I had previously suffered a nervous breakdown which left me with no self-confidence, self-esteem or self-worth. After driving for community transport for over two years, I applied for a part-time job armed with a new set of important transferrable skills that helped me to get the job. I will never be able to thank community transport enough for believing in me and investing so much time and effort in me to put me 'back on track'.
- 'I had taken early retirement and happened to be looking through a local magazine and came across an advert from my local community transport who were looking for volunteer drivers. Being a volunteer gives me a purpose in life. Speaking to the passengers, I realise that I make a massive difference to their lives, which gives me a very good feeling of self-worth.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

-

- If the LCC funding were to be reduced substantially, many Community Transport operators would be at risk of no longer being financially viable. More than 6,200 individuals and over 1,000 community groups benefit from their services.
- The impact of Lancashire County Council reducing its funding will be a negative impact on some of the most vulnerable members of society and may put at risk the financial viability of some Community Transport services in Lancashire.

This negative impact would include increases in:

- Social isolation

- Missed medical appointments
- Loneliness for already vulnerable people
- Mental health issues due to inability to access services
- Malnutrition due to lack of access to food supplies
- Debt issues resulting from people with no means of increasing their weekly income, having to pay for unaffordable transport services rather than the more manageable fare that are charged for the Dial-a-Ride services.
- Decline in physical health and mobility
- Lack of access to key local services

The close relationships that Dial-a-Ride drivers often have with their passengers can be invaluable in detecting issues with passengers such as health crises or similar. The difference that volunteering opportunities make to individuals in terms of raised self-esteem, self-worth, confidence and inclusion in society by providing services to individuals that change their lives should not be underestimated as many volunteers take up their roles due to the fact that they are bored, they feel isolated because they are no longer working and their personal mental health may suffer as a result of this. Along with the loss of volunteering opportunities, it is estimated that the equivalent of 3 full-time posts would be lost within LCC's Travelcare operation.

Lancashire Community Transport provides training for drivers such as The Minibus Driver Awareness Scheme (MiDAS) along with other care skills.

The impact on other local services, including wellbeing services, would be substantial as many local projects rely heavily on community transport as the only affordable means of ensuring that participants are able to access their services. LCT indicate that it makes a financial contribution to the local economy by delivering people to local shopping opportunities of around £2.6m per annum representing a return on investment of £5.20 per £1.

There is a high risk that many Community Transport and Dial-a-Ride users will no longer be able to sustain independent living and will place added pressure on Adult Social Care and Health services.

All of these elements contribute to the Public Sector Equality Duty's general aim of advancing equality of opportunity for those with protected characteristics including in particular supporting their participation in public life, which could be detrimental were the Service to significantly reduce.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g.

increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Yes. Many local services, especially in smaller communities are being withdrawn and concentrated in fewer centres. Such services include banks post offices, local shops, doctors and other services.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?
Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

The proposal will be reviewed following consultation.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Enhancements of the tendered bus network will mitigate some of the impacts for some users but not for those who rely upon assistance and particularly for those who rely on door to door transport because they are unable to walk to a bus stop. No mitigation has been identified for volunteers.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is

required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

This proposal has been brought forward because of the extreme financial challenges that the County Council is facing. The potential significant adverse impact on CT users – over 6,200 people and 1000 groups – who will have protected characteristics including age and disability will be substantial. Whilst some mitigations will be provided by the re-introduction of some rural weekday bus services, this may not be of benefit to all those who currently use CT services. Additionally there will be an adverse impact on volunteers and employees with CT operators.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

The proposal is to reduce County Council funding for Dial-a-Ride and Community Transport activities.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Monitoring may rely upon evidence of increased demand on social care and health services. Such impacts may be difficult to distinguish from the impact of other factors.

Equality Analysis Prepared By Oliver Starkey

Position/Role Head of Service: Public and Integrated Transport

Equality Analysis Endorsed by Line Manager and/or Service Head

Decision Signed Off By

Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact

Jeanette Binns – Equality & Cohesion Manager

Jeanette.binns@lancashire.gov.uk

Thank you

Section 4

Equality Analysis Toolkit

**CMTY024 (2 of 2): Burnley BEST Dial-A-
Ride Taxi Service**

For Decision Making Items

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting

AskEquality@lancashire.gov.uk

Specific advice on completing the Equality Analysis is available from your Service contact in the Equality and Cohesion Team or from Jeanette Binns

Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

The future of the Burnley BEST Dial-A-Ride Taxi Service.

What in summary is the proposal being considered?

The proposal is to cease the Burnley BEST Dial-A-Ride Taxi Service.

The Service was set up in 2010 following cessation of an Urban Bus Challenge Fund project which had run for the previous 5 years which supported people in Burnley and Pendle to travel to work or training where there was no public transport or the person was unable to use it due to mobility difficulties.

The post 2010 Service is provided by Crusader Cars who use their own vehicles and take bookings for journeys. Lancashire County Council maintains the list of members/users and assesses eligibility for membership.

The Scheme is available for members to make journeys to and from work or training between 05.30 a.m. and 23.00 p.m. Monday to Saturday, although journeys must be booked at least 24 hours in advance. The cost to passengers of journeys has remained unchanged since March 2010 at £2 per journey or £18 for a saver strip covering 10 journeys.

The cost of the Burnley BEST scheme has risen gradually during this period (see costs below taken from payment summaries).

	Net Cost	Rev/Cost	Subsidy per passenger
2010/11 (part period)	£13,135.50	27%	£4.33
2011/12 Actual	£21,026.90	30%	£4.29
2012/13 Actual	£28,139.98	27%	£5.02
2013/14 Actual	£28,538.41	26%	£5.78
2014/15 Actual	£29,953.29	21%	£6.81
2015/16 Actual	£31,316.33	21%	£7.01
2016/17 Estimated	£31,359.08	21%	£7.10

Over the same period the number of users has steadily reduced. Initially there were over 30 regular users in 2010, by 2016 this had reduced to 11 regular users.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

No. The Burnley BEST Dial-A-Ride Taxi Service operates in Burnley and Pendle and specifically in the LCC Electoral Divisions of Nelson South, Pendle Central, Burnley Rural, Pendle East, Pendle West, Burnley Central East, Burnley North East, Padiham & Burnley West and Burnley South West.

To be eligible to use the Scheme members must need the service to access employment or training, be unable to use the public transport network in East Lancashire either due to lack of appropriate services at times required or due to mobility difficulties. Eligibility is assessed before people can be accepted on to Burnley BEST.

Currently there are 11 regular users of the scheme.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Information about Burnley BEST current users was obtained from the consultation responses received in August to October 2016. 10 responses were received. Of those responding to the equality/demographic questions.

5 were male and 5 were female. This is reflective of the Lancashire population in terms of gender, 51% female and 49% male.

All 10 respondents were aged 35-64, which is higher than the Lancashire County Council area population of 58% of residents in the 20-64 age group and Burnley and Pendle where 59% of residents are aged 20-64.

None of the respondents stated that they had a disability. This contrasts with the Lancashire population whose day to day activities are limited a little (10%) or a lot (10%) and those in Burnley (12% have day to day activities limited a lot and 11% have activities limited a little) and Pendle (10% of residents have day to day activities limited a lot and 11% have day to day activities limited a little). In comments, however, one respondent did say that they had poor eyesight which meant they were unable to drive.

8 respondents were white British, 1 identified as White Rhodesian and 1 as Asian Pakistani. This is broadly reflective of the ethnicity of population in Lancashire but lower than the Black and Minority Ethnic (BME) percentage for both Burnley (12.6% BME residents) and Pendle (20.1% BME residents).

Given the limited numbers of users it is difficult to assess disproportionate impacts on any particular protected characteristics groups, the impact will be shared equally amongst service users.

Information on other protected characteristics was not requested in this consultation. Any change in arrangements would have some level of impact on current Scheme Members and most significantly on regular Burnley BEST users.

Any decision to cease or significantly change support for Burnley BEST could also adversely affect the contractor Crusader Cars and may impact on their drivers and call handlers.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

Information about Burnley BEST current users was obtained from the consultation responses received in August to October 2016. 10 responses were received. Of those responding to the equality/demographic questions. 5 were male and 5 were female. This is reflective of the Lancashire population in terms of gender, 51% female and 49% male.

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None of the respondents stated that they had a disability. This contrasts with the Lancashire population whose day to day activities are limited a little (10%) or a lot (10%) and those in Burnley (12% have day to day activities limited a lot and 11% have activities limited a little) and Pendle (10% of residents have day to day activities limited a lot and 11% have day to day activities limited a little). One respondent, however, did comment that they had poor eyesight which meant that they were unable to drive.

8 respondents were white British, 1 identified as White Rhodesian and 1 as Asian Pakistani. This is broadly reflective of the ethnicity of the population in Lancashire

but lower than the BME percentage for both Burnley (12.6% BME residents) and Pendle (20.1% BME residents).

Information on other protected characteristics was not requested in this consultation. There are currently 11 scheme users. Any change in arrangements will adversely impact these members but will most significantly impact those who regularly use the Burnley BEST Scheme.

Any withdrawal of or significant change in support for Burnley BEST would also impact on the contractor Crusader Cars and potentially on its drivers and call handlers.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

Initially when the Burnley BEST was relaunched in 2010 approaches were made to Burnley Borough Council, Pendle Borough Council and 21 companies/organisations associated with Scheme members at that time seeking ideas of how the costs could be supported or seeking contributions towards the financing of the Scheme – these were unsuccessful. A consultation had also been carried out with Scheme members who were very appreciative of the relaunched service.

In August 2016 all current and recently lapsed Burnley BEST members were sent a personal consultation questionnaire. An 8-week consultation period was set with a closing date in October set for receipt of completed/returned questionnaires. 10 responses were received.

10 respondents used Burnley BEST every or most days and one respondent used it a few times a week.

4 respondents made journeys between 5:30 a.m. and 7:30 a.m. whilst 5 used it between 7:30 and 9:30 a.m. and 1 respondent between 9:30 and 3p.m. 9 respondents made journeys between 3p.m. and 4:30p.m and 1 made journeys between 8p.m. and 10 p.m.

10 respondents used Burnley BEST to travel to and from employment. Comments included that the journeys were not possible by public transport to meet shift patterns, etc or that the durations of journeys (e.g. 2 hours each way) made them impossible on public transport.

None of the respondents could identify an alternative means of getting to work if the Burnley BEST facility ended, 9 indicated that they would use none of the other methods suggested and 1 respondent didn't know what they would do.

All 10 respondents said that they would be unable to pay the full cost of £9 per journey suggested in the consultation to make Burnley BEST self-financing. Some indicated that they may be able to make a higher contribution towards the journey costs but others said they were on the minimum wage and would find increases in fares difficult to meet.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

As only those who cannot use public transport in East Lancashire either because it is not available or due to mobility difficulties/disabilities are eligible to use the Scheme, any cessation of the arrangement will inevitably make it more difficult or impossible for those people to get to and from work or training.

None of the respondents to the consultation stated that they had a disability but all indicated that either because of their shift patterns or because of the journey times involved in using public transport the only way they could get to and from work was by using Burnley BEST. Any change would affect their ability to participate in public life and adversely affect their equality of opportunity to work. A number of respondents said that they would have to change jobs or give up their jobs if the Scheme was no longer available and one stated that they had taken their current job because the service was available to get them to and from work. Respondents said this was because the journey was complicated or no bus services would allow them to reach work for their contracted working times.

Although no-one identified as having a disability amongst respondents in the monitoring/demographic questions, one respondent said they had poor eyesight and therefore could not drive. Another respondent identified as a single parent and said the service was essential to allow her to continue working and look after her child. A respondent also said the Service was particularly important "to working mums".

Respondents were also concerned as to whether any changes might result in an increase in fares for journeys. A number identified that they were on the minimum wage and that any change would have implications for their finances. The cost of travel for those taking Burnley BEST journeys has been unchanged since 2010 at £2 per journey or £18 for a saver strip covering 10 journeys. Any change to make the Service more reflective of its actual costs either by charging an increased flat rate fare (£9 per journey was suggested in the consultation) or by charging on a more individualised arrangement based on the length of journey will inevitably impact on the financial resources of current Scheme members. The extent of the impact will vary for each individual Member but is most likely to affect those who frequently use it.

The impact on community cohesion/fostering good relations is difficult to identify. However, many respondents did emphasise how courteous the drivers and other staff of Crusader Cars have been with them.

Several respondents said that the service allowed them to get to and from work safely, whilst another said that in addition to a lengthy bus journey to work if the service were withdrawn, they would also need to cross a very busy road which raised safety concerns for that respondent.

The availability of Burnley BEST has contributed for those current and previous scheme users to potentially reducing social isolation. Going to work is often

identified as generally good for people's health and wellbeing and contributing to reduced social isolation as a person is travelling (with a driver in this situation) and working with colleagues. Should scheme members be unable to remain in work – as some have suggested – this could contribute to increasing their social isolation. It is unlikely that any decision to cease or change the Burnley BEST service would have a disproportionately adverse effect in terms of younger or older people, ethnicity, gender or disability. However, there is potentially a significant adverse impact for those who use the Scheme compared to other members of the population who do not if changes to its operational arrangements are made and particularly if it is withdrawn.

This is a Scheme which only operates in the Burnley and Pendle areas and has no equivalent financed by the County Council elsewhere in Lancashire, however the County Council does provide administrative support to West Lancashire Borough Council for a similar scheme in the Up Holland/Skelmersdale area. It is arguable that residents in other parts of the county may face similar difficulties in getting to and from work or in selecting what jobs they may be able to take up and which are impracticable for similar reasons to those which the Burnley BEST consultation respondents have identified. Those situations, however, would not be impacted in the same way by a County Council decision as will the situation for the current users of Burnley BEST.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

This proposal is part of a wider proposal to reduce financial support for Community Transport Services operating in Lancashire.

As part of the County Council's 2016/17 budget a budget option affecting withdrawal of support for subsidised bus services was included. The final outcome of this proposal was the creation of a £3 million fund to retain a number of bus services particularly to assist people to access education, employment, health, social and leisure activities. Bus operators and other Councils also assisted in retaining other

routes. However, over 40 services were ended including a number of early morning and late evening/night Services, other Services have merged or routes have changed. This may have impacted on the availability of alternative Services which, for a few Scheme members, may increase the effect of this decision. Subsequently additional funding has been made available in 2017 to increase weekday bus services in various parts of the county with many changes taking effect from December 2017, though these may not significantly benefit current users of Burnley BEST.

It is possible that some members of Burnley BEST may be affected by changes associated with the Government's reforms to welfare benefits including changes affecting Universal Credit or other "in work" benefits.

As many respondents stated that they were on the minimum wage, rises in inflation or the cost of living may also increase the impact of any changes made to the Burnley BEST scheme.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

This proposal was developed in 2016 but was not taken forward at that time. It is substantially unchanged except that it is to consider ceasing the Burnley BEST scheme from 31 March 2018.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

The possibilities for mitigating the possible impact of this decision appear to be very limited and their possible effectiveness will be dependent on people meeting eligibility criteria or on other individuals being willing to participate in them.

One respondent in their comments indicated they had poor eyesight which prevents them from driving, this might raise the possibility for that individual of considering

approaching the DWP's Access to Work Scheme which can potentially assist eligible disabled people with additional work related costs arising from a disability. This could include assistance with costs of travel to and from work if the additional cost is associated with a person's disability – e.g. an inability to drive for disability related reasons - and no suitable public transport available may be grounds for eligibility under the Access to Work Scheme.

The County Council has promoted car sharing initiatives at different times, consideration could be given to whether a specific targeted promotion could be carried out to assist these individuals.

Consideration might also be given to whether it is practicable for any of the current service users to travel together potentially reducing the cost per journey. This would rely on members being prepared to have their details shared and to potentially have slightly increased journey times.

Consideration of assessing with Crusader Cars whether there are opportunities for Scheme members to make greater use of "pooled" journeys.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

Given the increasing cost to the County Council of supporting the Burnley BEST scheme, periodic reviews of its sustainability have taken place since 2010. This has coincided with a period of unprecedented financial restraint for the County Council. More recently the County Council has had to move towards prioritising Services on the basis of those which are statutory. The support provided by the Burnley BEST Scheme does not fall within the range of provision which the County Council is statutorily required to deliver.

At the present time the income for the Burnley BEST scheme meets only around 21% of its running costs and requires a significant contribution from the County Council to continue operating. Currently the County Council contributes over £31,000 per annum to the Scheme which might be seen as around £2,800 for each user annually.

Furthermore, it is estimated in the Medium Term Forecast that the County Council faces a significant funding gap to deliver its statutory services.

It is acknowledged that any change to arrangements for members/users of the Burnley BEST Scheme will have a significant adverse impact on the individuals concerned in terms of their ability to travel to and from their place of work, possibly to continue their employment and maintain their current living standards/income. Whilst some mitigation may be possible through promotion of car sharing opportunities, member(s) being eligible for Access to Work support if their conditions/disabilities meet its criteria or considerations of other arrangements, this may not remove the disadvantage for some or all of the current users.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

The future of the Burnley BEST Dial-A-Ride taxi service.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Review and monitoring arrangements will be considered in light of the outcome of this decision.

Equality Analysis Prepared By Oliver Starkey, Head of Service: Public and Integrated Transport

Equality Analysis Endorsed by Line Manager and/or Service Head

Decision Signed Off By

Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

Where specific actions are identified as part of the Analysis please ensure that an EAP001 form is completed and forwarded to your Service contact in the Equality and Cohesion Team.

Service contacts in the Equality & Cohesion Team are:

Jeanette Binns – Equality & Cohesion Manager

Jeanette.binns@lancashire.gov.uk

CMTY026b – DISCRETIONARY CONCESSIONARY TRAVEL

Service Name:	Discretionary Concessionary Travel		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£26.349m		
Income 2017/18	£7.769m		
Net budget 2017/18	£18.580m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.043	-0.044	0.000	-0.087
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	Agree to Increase the charge made to disabled NoWcard holders for travel before 0930 Monday to Friday from 50p to £1.00.		
Impact upon service	Disabled NoWcard holders who rely upon bus travel before 9.30 will need to pay £1.00 instead of 50p.		
Actions needed to deliver the target savings	<p>Full consultation with disability groups on the increase and include seeking views on coinage usability.</p> <p>Communication plan for bus operator driver awareness.</p> <p>Concessionary Travel scheme will need amendment, although as it is a discretionary element it can be introduced at a suitable time during the lifespan of the current scheme.</p>		
What are the risks associated with this saving and how will they be mitigated	Groups representing disabled people are likely to object to this proposal however the 50p charge has not been increased for over 10 years.		

	Blackpool Council and Blackburn with Darwen Council also operate a 50p charge. A communication plan will be required for cross boundary services.
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What does this service deliver?

The service manages the mandatory national concessionary travel scheme for Lancashire County Council.

A charge allowing those passengers, with a disabled person's pass, to travel before 0930 Monday to Friday is a discretionary element of the scheme.

Section 4

Equality Analysis Toolkit

**CMTYo26b: Discretionary Concessionary
Travel – Increase charges before 9.30am
For Decision Making Items**

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Discretionary Concessionary Travel

What in summary is the proposal being considered?

Modify the Concessionary Travel Scheme to increase the Monday to Friday pre-0930 fare for Disabled NoWcard holders from 50p per journey to £1.00.

The current English National Concessionary Travel Scheme allows free travel after 0930 on Monday to Friday and all day on Saturdays and Sundays up to 2300. However, Lancashire County Council currently provides a discretionary enhancement to the national scheme by allowing Disable NoWcard holders the opportunity to travel for 50p per journey before 0930 on Monday to Friday. The 50p fare has been in place since 1 April 2008.
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Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

No specific locational impacts on people using the disabled person's NoWcard.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Changes to the facility that allows holders of a disabled person's NoWcard to travel before 09.30 on payment of 50p will be restricted to people with a qualifying disability.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

There are currently 19,906 holders of disabled persons NoWCards in Lancashire (as at November 2017).

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

Consultation with users and staff will be carried out before final decision is confirmed.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be

– will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

The proposal will make it more expensive for disabled people to travel before 9.30am. Consultation responses may reveal further effects.
Any effects will particularly be felt by those making a journey which requires more than one bus prior to 9:30am.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Disabled people are still being transferred from Disability Living Allowance (DLA) to Personal Independence Payment (PIP) in Lancashire which can result in a change to the amount of benefit received. A component of both DLA and PIP is about mobility but the assessment criteria has changed so the mobility component may be reduced at the same time as the pre-9:30 concession price is increased. Also some disabled people who receive Employment and Support Allowance may be included in those affected by the Universal Credit roll-out difficulties.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

Consultation stage has not yet been undertaken and further work will be required if the proposals progress.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

None identified for disabled people travelling before 9.30am.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The council is in a position where it needs to make substantial budget savings and this proposal will have a negative impact on people with protected characteristics, particularly those with fixed or low incomes or those making journeys which require more than one bus to be taken. The proposal to amend the arrangements for holders of disabled NoWcards may be difficult for those travelling from neighbouring areas with enhanced discretionary travel arrangements.

However, the fare has not risen since 2008 and whilst the rise to £1 does represent a significant increase, it does retain the possibility for people to pay using a single coin which many may find easier than using several coins.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

Raise the pre-9:30 am. fare from 50p to £1 per journey on buses.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Feedback from those affected.

Equality Analysis Prepared By Oliver Starkey
Position/Role Head of Service

Equality Analysis Endorsed by Line Manager and/or Service Head
Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

PH012 – CRIME AND DISORDER – POLICE COMMUNITY SUPPORT OFFICERS

Service Name:	Crime and Disorder – Police Community Support Officers		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£0.319m		
Income 2017/18	£0.000m		
Net budget 2017/18	£0.319m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.220	-0.045	0.000	-0.265
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	Agree to cease funding for Police Community Support Officer (PCSO) posts currently part funded by Lancashire County Council (LCC).		
Impact upon service	Lancashire County Council provides funding, but does not directly employ the PCSOs. However two PCSOs are embedded in the Council's Safe and Healthy Travel Team, managed on a day to day basis by officers of LCC, and deal with issues of crime and disorder on the bus network, especially in relation to young people travelling to and from school.		
Actions needed to deliver the target savings	<p>Consultation required with LCC colleagues e.g. in Children and Family Wellbeing Service, Office of the Police and Crime Commissioner, Lancashire Constabulary and PCSO staff.</p> <p>A minimum of four months' notice to Lancashire Constabulary is required.</p>		
What are the risks associated with this saving and how will they be mitigated	<p>If funding is removed there is the possibility of low level crime and disorder escalating into more serious criminal activity, which has a higher community and public service costs associated, including:</p> <ul style="list-style-type: none"> • An increase in youth offending criminal behaviours 		

	<ul style="list-style-type: none"> • An increase in harm / reducing support to the most vulnerable individuals / communities through e.g. anti-social behaviour • A reduction in restorative justice approaches and behavioural change work • A reduction in delivery of multi-agency initiatives to reduce low level crime and disorder e.g. through diversionary activities • A reduction in capacity for community engagement / cohesion activity • A reduction in capacity to deliver multi-agency Early Action interventions, which may impact on delivery of outcomes for children and young people delivered through the Children and Family Wellbeing Service e.g. Troubled Families Programme. <p>It is anticipated that the proposal will reduce PCSO capacity in the County. There are currently 281 PCSO posts (265.72 FTE) in Lancashire Constabulary, of which 50 FTE are part-funded by a mixture of schools, colleges and local authorities.</p> <p>LCC currently part funds 17 Lancashire Constabulary Police Community Support Officers (PCSOs), generally employed in Early Action roles across the County; with 2 posts embedded in the Council's Safe and Healthy Travel Team, managed on a day to day basis by officers of LCC, and dealing with issues of crime and disorder on the bus network, especially in relation to travel to and from school.</p> <p>Should LCC withdraw funding, it is understood that the Constabulary is likely to consolidate the remaining budget, resulting in the likely retention of 9 out of the current 17 posts.</p> <p>LCC will also continue to work strategically with partners to reduce crime and disorder in the County.</p>
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What does this service deliver?

Context:

A police community support officer (PCSO) provides a link between the community and the constabulary. Their roles vary widely and can include working to reduce vehicle speeding, reporting vandalism, and reducing antisocial behaviour. PCSOs

don't have powers to arrest, but instead they work, often with partner agencies, to protect the community through collaboration.

Currently there are 281 PCSO posts (265.72 FTE) in Lancashire Constabulary, of which 50 FTE are part-funded by a mixture of schools, colleges and local authorities.

LCC has a statutory duty to work with partners to reduce crime and disorder (as do all local authorities) under the Crime and Disorder Act. The PCSOs support the work of LCC, whilst also providing the visible operational commitment of LCC to community safety, albeit under the auspices of the Constabulary.

Section 4

Equality Analysis Toolkit

PH012: Crime and Disorder
For Decision Making Items

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Budget Option PH012 – CRIME AND DISORDER
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What in summary is the proposal being considered?

Agree to cease funding for the Police Community Support Officer (PCSO) posts currently part funded by Lancashire County Council (LCC).
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Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The decision will impact across the County where LCC funded PSCOs are deployed in the Police Divisions, often in the areas of the County where deprivation and crime & disorder issues are highest; with the two PCSOs embedded in the Safe and Healthy Travel team deployed across the bus network.
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Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

It is likely that any decision will impact most on race / ethnicity / nationality in that there are often concentrations of Black Minority Ethnic communities in the most deprived parts of the County. Also possibly there may be impact on age (young people). However the proposal will not cease deployment of PCSOs altogether, although capacity will be reduced.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

[Lancashire Insight](#) provides data in relation to population by a range of demographics including ethnicity and age. Currently there are 281 PCSO posts (265.72 FTE) in Lancashire Constabulary, of which 50 FTE are part-funded by a mixture of schools, colleges and local authorities. LCC currently part funds 17 Lancashire Constabulary Police Community Support Officers (PCSOs), generally employed in Early Action roles across the County; with 2 posts embedded in the Council's Safe and Healthy Travel Team, managed on a day to day basis by officers of LCC, and dealing with issues of crime and disorder on the bus network, especially in relation to travel to and from school.

Should LCC withdraw funding, it is understood that the Constabulary is likely to consolidate the remaining budget, resulting in the likely retention of 9 out of the 17 posts.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

If the budget option goes forward consultation will be required with partners / stakeholders prior to final approval.

Consultation required with LCC colleagues e.g. in Children and Families Wellbeing Service, Office of the Police and Crime Commissioner, Lancashire Constabulary and PCSO staff.

A minimum of four months' notice to Lancashire Constabulary is required.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

There is the possibility of low level crime and disorder escalating into more serious criminal activity, which has a higher community and public service costs associated, including:

- An increase in youth offending criminal behaviours
- An increase in harm / reducing support to the most vulnerable individuals / communities through e.g. anti-social behaviour
- A reduction in restorative justice approaches and behavioural change work
- A reduction in delivery of multi-agency initiatives to reduce low level crime and disorder e.g. through diversionary activities
- A reduction in capacity for community engagement / cohesion activity
- A reduction in capacity to deliver multi-agency Early Action interventions, which may impact on delivery of outcomes for children and young people delivered through the Children and Family Wellbeing Service e.g. Troubled Families Programme.

It is anticipated that the proposal will reduce PCSO capacity in the County.

It is possible that any decision will impact most on the characteristic of race / ethnicity / nationality, in that there are often concentrations of Black Minority Ethnic communities in the most deprived parts of the County. Amongst other issues, PCSOs deliver activity aimed at reducing the incidence of hate crime. However the proposal will not cease deployment of PCSOs altogether, although capacity will be reduced, so the degree of impact may be considered as relatively low.

Question 4 – Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

There may be implications in relation to potential decisions around changes proposed for the Children and Family Wellbeing Service and Youth Offending Team.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

Continuing with original proposal – PCSO capacity will be reduced, but not totally removed.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Liaise with Lancashire Constabulary to mitigate any adverse effects in terms of deployment of remaining part funded PCSO capacity.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The proposal is driven by the need for budget savings. It is understood that other agencies are likely to maintain investment in PCSOs and that the Constabulary is likely to consolidate the remaining budget, resulting in the likely retention of 9 out of the 17 posts.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

To cease funding for Police Community Support Officer (PCSO) posts currently part funded by LCC. It is possible that any decision will impact most on the characteristics

of race / ethnicity / nationality in that there are often concentrations of Black Minority Ethnic communities in the most deprived parts of the County. However the proposal will not cease deployment of PCSOs altogether, although capacity will be reduced, so the degree of impact may be considered as relatively low.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Monitor through analysis of crime and disorder data, in liaison with Lancashire Constabulary.

Equality Analysis Prepared By Clare Platt
Position/Role Head of Health Equity, Welfare & Partnerships

Equality Analysis Endorsed by Line Manager and/or Service Head
Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

PH015 – CHILDREN AND FAMILY WELLBEING SERVICE

Service Name:	Children and Family Wellbeing Service		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£20.881m		
Income 2017/18	£6.185m		
Net budget 2017/18	£14.696m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-1.250	0.000	0.000	-1.250
FTE implications:			
2018/19	2019/20	2020/21	Total
-34.28	0.00	0.00	-34.28
Decisions needed to deliver the budgeted savings	<p>Agree to reduce the non-staffing budget by £0.750m. This will reduce the resource made available to each district to deliver the core offer of the service i.e.</p> <ul style="list-style-type: none"> Physical resources and equipment Funding of group activity delivered by 3rd party partners i.e. parenting courses, employability courses for parents <p>Agree to reduce the staffing budget by £0.500m. The service has been operational since April 2017 and the current staffing structure was approved to enable the agreed service specification to be delivered to its full potential. In order to achieve this proposal the current staffing resource would need to be reconfigured. Due to the high level of current staffing vacancies we have been unable to deliver the full service specification in some parts of the County.</p> <p>Agree to convert some of the current vacancy capacity to:</p> <ul style="list-style-type: none"> Convert 8.19 FTE posts at Grade 6 to create 6 new additional FTE Grade 8 posts as Family Group Conference (FGC) Co-ordinators, this will then enable the Service to be able to have a targeted model of delivery to deliver FGC to cases stepped down from Children's Social Care. 		

	<ul style="list-style-type: none"> • Convert 12.08fte vacant resource Grade 4 to develop and implement a suitable 'Commissioning Framework' to enable commissioning of Voluntary and Community Faith Sector providers, with expertise in delivering targeted youth support services in a group work context to deliver priority targeted activity for young people (predominantly evening provision). <p>Agree to reconfigure remaining current staffing structure to:</p> <ul style="list-style-type: none"> • Prioritise case holding roles and functions in order to meet the demands of the national Troubled Families Programme • Prioritise resources to ensure we meet our minimum statutory responsibilities • Prioritise management oversight and supervision functions • Prioritise Outreach and Group Work offer <p>There would be no requirement to undertake a full consultation as this was completed as part of the original transformation agreed by Cabinet in November 2015. This is purely a reconfiguration of existing staffing resources.</p>
Impact upon service	<p>Based on the current number of vacancies implementing this budget option in 2018 would have the following impact:</p> <ul style="list-style-type: none"> • Stretching to maintain reach and statutory universal commitments as part of the children's centre core offer will be extremely difficult with this scale of capacity reduction. This may impact on performance levels and key performance indicators which may be at risk within the Ofsted inspection framework. • The scale of vacancies has a significant impact on the services' ability to deliver its published service offer as agreed by Cabinet in September 2016. • We are currently operating below our planned caseload capacity and are at risk of being unable to achieve the agreed Troubled Families targets. This puts at risk the TFU anticipated annual income.

	<ul style="list-style-type: none"> • We have had to scale back public access and group based programmes in neighbourhood centres. • The service is delivering its offer through 79 neighbourhood centres. The impact of this scale of reduction will mean that core delivery in centres will need to be scaled back resulting in service users being unable to access support in some of our centres. • There would be an impact on partners who utilise Children's Centre premises for service delivery within the community, reducing communities access to services such as private Nursery Day Care providers, Job Centre Plus, Citizens Advice Bureau, Welfare Rights, Midwifery and Birth Registrations
<p>Actions needed to deliver the target savings</p>	<ul style="list-style-type: none"> • Consultation with stakeholders including service users, staff, Voluntary Community and Faith Sector (VCFS) and other external partners. • Consultation to identify neighbourhood centres that were to be retained if service provision was scaled back. • Complete consultation on the reconfiguration of the service offer. • Realign the District non staffing budgets • Progress procurement of VCFS Commissioning Framework to deliver 12 – 19 service offer • Manage partnership expectations • Adhere to HR and contractual obligations • Progress immediately with conversion of some vacant current capacity as detailed above. (This would not need to be part of the consultation)
<p>What are the risks associated with this saving and how will they be mitigated</p>	<ul style="list-style-type: none"> • Ability to maintain reach and statutory universal commitments as part of the children centre core offer will be extremely difficult with this scale of capacity reduction. This may impact on performance levels

	<p>and key performance indicators which may be at risk within the Ofsted inspection framework</p> <p>Mitigated by the review of neighbourhood centres to be retained that would ensure we meet the statutory requirements i.e. that provision could cover the required reach areas. Consult with universal partners to ensure universal support remains accessible.</p> <ul style="list-style-type: none"> • The scale of vacancies has a significant impact on the services ability to deliver its published service offer as agreed by Cabinet in September 2016. <p>Mitigated by revising the current service offer in line with reduced resource capacity i.e. scale back group based activity.</p> <ul style="list-style-type: none"> • We are currently operating below our planned caseload capacity and are at risk of being unable to achieve the agreed Troubled Families targets. This puts at risk the TFU anticipated annual income. <p>Mitigated by prioritising case holding to families that meet the TFU criteria.</p> <ul style="list-style-type: none"> • The service is delivering its offer through 79 neighbourhood centres. The impact of this scale of reduction will mean that core delivery in centres will need to be scaled back resulting in service users being unable to access support in some of our centres. <p>Mitigated by ensuring our outreach provision was able to provide access to support in areas where service delivered in neighbourhood centres had been scaled back.</p> <ul style="list-style-type: none"> • The reduction of service provision within local communities is likely to attract unwanted attention. <p>Mitigated by consultation with all key stakeholders and an effective communication plan.</p> <ul style="list-style-type: none"> • If we were to reduce the number of designated children centres, buildings built using DfE Capital monies are subject to Clawback (See rules below). There is a potential maximum £32m of clawback.
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	<p>Mitigated through appropriate change of use and would only reach that level if all current designated children's centres were closed.</p> <ul style="list-style-type: none"> • There would be an impact on partners who utilise Children's Centre premises for service delivery within the community, reducing community's access to services such as private Nursery Day Care providers, Job Centre Plus, Citizens Advice Bureau, Welfare Rights, Midwifery and Birth Registrations. <p>Mitigated by consulting with partners and agreeing how we could continue to work alongside partners in the settings that were to be retained.</p>
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What does this service deliver?

The Children and Family Wellbeing Service brings together Children's Centre provision, Young People's Service provision includes those not in employment, education or training (NEET), Prevention and Early Help panel arrangements and the Emotional Health & Wellbeing Commissioning framework.

The service delivers support at an Early Help level for children, young people and families 0-19 yrs (25yrs for those with special educational needs).

The service delivers Lancashire's response to the National Troubled Families Unit (TFU) agenda.

It contributes to reducing demand on children's social care by prioritising step down from social care, particularly from Level 3 children in need cases.

The council's statutory duties relevant to this service include:

- Delivering a 'sufficient' children's centre offer to meet local need so far as this is reasonably practicable (Childcare Act 2006). This is based on population and defined reach areas, with a consideration to retain universal services, whilst concentrating and targeting those children and families who are the most disadvantaged.
- Securing young people's access to 'sufficient' educational and recreational leisure time activities and facilities for the improvement of young people's well-being through the delivery of a 'Youth Offer' (Section 507b of the Education and Inspection Act 2006). This includes the duty on the local authority to consult young people about positive activities and other decisions affecting their lives and to publicise information on what positive activities are available in the county/local areas.

Making available to young people below the age of 19 and relevant young adults (i.e. those aged 20 and over but under 25 with learning difficulties) support that will encourage, enable or assist them to participate in education and training (Section 68 of the Education and Skills Act 2008) and ensure that they promote the effective

participation in education or training of young person's 16-17yrs and make arrangements to establish (so far as it is possible to do so) the identities of those young people who are failing to fulfil the duty to participate in education or training – thereby reducing the numbers of NEET young people (Raising Participation Age). The Children and Family Wellbeing Service brings together Children's Centre provision, Young People's Service provision including the NEET agenda, Prevention and Early Help panel arrangements, commissioning frameworks and the Working together with Families programme which is Lancashire's response to the National Troubled Families unit agenda. In addition the redesigned Children and Family Wellbeing Service is expected to deliver the local authority's response to statutory children in need cases.

The Children and Family Wellbeing Service in Lancashire, means identifying as early as possible when a child, young person or their family needs support, helping them to access services to meet their needs, prevent any problems getting worse and reduce the demand for specialist support services. Working together with key partners, we aim to ensure that we have maximum impact on achieving positive outcomes for families.

We prioritise vulnerable groups, individuals and communities, based on assessed levels of need under the following themes:

- Safeguarding and supporting the vulnerable
- Supporting family life
- Enabling learning
- Preparing for work
- Improving community safety
- Promoting health & wellbeing
- Developing healthier places

Section 4

Equality Analysis Toolkit

For Decision Making Items

PH015: Children & Family Wellbeing
Service

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

AskEquality@lancashire.gov.uk

Specific advice on completing the Equality Analysis is available from your Service contact in the Equality and Cohesion Team or from Jeanette Binns

Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Budget option of Children and Family Wellbeing service.

What in summary is the proposal being considered?

The element of the proposal considered in this analysis relates to a reduction in the non-staffing budget of £0.750m and a reduction in the staffing budget of £0.500m. The Children and Family Wellbeing (CFW) service brought together the Young People's Service provision, including the NEET agenda Children's Centres and Prevention and Early Help along with arrangements in Lancashire for responding to the National Troubled Families Programme and the Emotional Health & Wellbeing Commissioning framework.

The CFW service model will continue to deliver the statutory Children's Centre offer, working with children and their families and with young people aged 12-19+ (aged up to 25 where they have special educational needs or disabilities).

The Service will identify as early as possible when a child, young person or family needs support, helping them to access services to meet their needs, working with them to ensure the support offered is right for them, offered in the right place at the right time. CFW is contributing to reducing demand on children's social care by prioritising step down from social care, particularly from Level 3 children in need cases.

The Service currently operates from 79 neighbourhood centres, with 53 being designated Children's Centres. Services are accommodated in a way which meets the diverse needs of children, young people and their families, including outreach services where appropriate.

This budget option includes;

Reduction of non-staffing budget £0.750m

This will be achieved by;

- Reducing the resource made available to each district to deliver the core offer of the service i.e. physical resources and equipment
- Funding of group activity delivered by 3rd party partners i.e. parenting courses, employability courses for parents

Reduction of staffing budget £0.500m

The service has been operational since April 2017 and the current staffing structure was approved to enable the agreed service specification to be delivered to its full potential. In order to achieve this proposal the current staffing resource would need to be reconfigured. Due to the high level of current staffing vacancies we have been unable to deliver the full service specification in some parts of the County.

The proposed reduction net of £0.500m would be achieved by

- Convert some of the current vacancy capacity to
 - Convert 8.19 FTE posts at Grade 6 to create 6 new additional FTE Grade 8 posts as Family Group Conference Co-ordinators, this will then enable the Service to be able to have a targeted model of delivery to deliver FGC to cases stepped down from CSC.
 - Convert 12.08fte vacant resource Grade 4 to develop and implement a suitable 'Commissioning Framework' to enable commissioning of VCFS providers, with expertise in delivering targeted youth support services in a group work context to deliver priority targeted activity for young people (predominantly evening provision).
- Reconfigure remaining current staffing structure
 - Prioritise case holding roles and functions in order to meet the demands of the national Troubled Families Programme
 - Prioritise resources to ensure we meet our minimum statutory responsibilities
 - Prioritise management oversight and supervision functions
 - Prioritise Outreach and Group Work offer

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The proposal will affect children, young people and families in all parts of Lancashire but the extent of impact may depend on their location and individual circumstances.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes. The nature of the service is that it is targeted at children, young people and their families. This means that the age protected characteristic (children and young people) and pregnancy and maternity protected characteristic group may be particularly affected. As the service also provides specific support for disabled children and young people up to the age of 25 and disabled parents, the disability protected characteristic group may also be affected more than other people in that age group. Other protected characteristics – e.g. gender and ethnicity – may be affected given the location of proposed service points (ethnicity) and gender of parents/carers using the Service.

Information provided by the Service has also indicated that it supports transgender young people, lesbian and gay service users, teenage parents, young parents and young carers.

The service also has a long tradition of supporting young people and promoting a positive attitude towards inclusiveness across the range of protected characteristics.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

Yes

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

The following information was compiled about the "reach" of the Young People's Service in 2015/16 at the start of the service transformation.

Young People Service Equality statistics.

2015-16 Reach Achieved

During 2015/16 the total 12-19 young people cohort was 104,338. The service provided services to 30,125 young people, 28.9% of the total cohort. This can be broken down by district as follows;

	No Individuals Reached	12-19 Cohort	% Reached
Burnley	3,802	8,554	44.4%
Chorley	2,899	9,341	31.0%
Fylde	1,433	5,585	25.7%
Hyndburn	2,288	8,185	28.0%
Lancaster	3,423	11,086	30.9%
Pendle	2,489	8,576	29.0%
Preston	3,921	12,881	30.4%
Ribble Valley	1,021	5,276	19.4%
Rossendale	1,254	6,564	19.1%
South Ribble	2,126	9,813	21.7%
West Lancs	2,701	9,719	27.8%
Wyre	2,768	8,758	31.6%
Total	30,125	104,338	28.9%

Gender

During 2015/16 the gender split between male and female service users is pretty balanced with 28.6% of service users being female and 29.2% of service users being male. The service had 5 people accessing services who identified as Trans Male, 2 in Chorley, 1 in Hyndburn, 1 in South Ribble and 1 in Wyre. One service user in Hyndburn identified as Trans Female.

Disability

During 2015/16 8% of service users had a disability or learning difficulty. This varied across districts from 5.2% in Burnley to 11.1% in Rossendale. The breakdown per district is illustrated in the table below.

	SEND	12-19 Cohort	% Reached
Burnley	196	3,802	5.2%
Chorley	194	2,899	6.7%
Fylde	145	1,433	10.1%
Hyndburn	152	2,288	6.6%
Lancaster	341	3,423	10.0%
Pendle	150	2,489	6.0%
Preston	351	3,921	9.0%
Ribble Valley	62	1,021	6.1%
Rossendale	139	1,254	11.1%
South Ribble	228	2,126	10.7%
West Lancs	239	2,701	8.8%
Wyre	224	2,768	8.1%
Total	2,421	30,125	8.0%

Ethnicity

During 2015/16 61.7% of young people who accessed the service were white. For 28.8% of the young people accessing the service no ethnicity is recorded whilst 7.1% Asian young people accessed the service. There are significant variances at district level, for example 22.22% of young people accessing the service in Pendle, 16.73% in Burnley and 14.64% in Hyndburn are from the Asian community.

	Arab	Asian	Black	Chinese	East Europe	Gypsy/Roma	Mixed	Not Known	White	Total
Total	7	2,133	65	35	6	63	564	8,674	18,578	30,125
12-19 Cohort	19	6,314	231	155	17	161	1,714	32,482	63,245	104,338
% total YP reached	0.0%	7.1%	0.2%	0.1%	0.0%	0.2%	1.9%	28.8%	61.7%	

Whilst 28.9% of the total age 12-19 population accessed the service during 2015/16 this was higher in some communities. For example 39.1% of the total Gypsy/Roma community accessed the service and 36.8% of the Arab community accessed young people's centres.

	Arab	Asian	Black	Chinese	East Europe	Gypsy / Roma	Mixed	Not Known	White	Total
Total	7	2,133	65	35	6	63	564	8,674	18,578	30,125
12-19 Cohort	19	6,314	231	155	17	161	1,714	32,482	63,245	104,338
% Reached	36.8%	33.8%	28.1%	22.6%	35.3%	39.1%	32.9%	26.7%	29.4%	28.9%

Children's Centre Equality Statistics for 2015/16 are as follows:

The Children's Centre data is only available at district level.

Gender

The gender statistics for 2015/16 have been broken down by parents/carers and children registered with the children's centres. County wide 64% of parents/carers registered were female and 36% male. The district profile is illustrated in the table below;

District	Total Parents/ Carers	Female	% Female registered	Male	% Male Registered
Burnley	8540	5827	68%	2713	32%
Chorley	10182	6316	62%	3866	38%
Fylde	4878	2830	58%	2048	42%
Hyndburn	10373	6851	66%	3522	34%
Lancaster	12999	7987	61%	5012	39%
Pendle	8738	6116	70%	2622	30%
Preston	13124	7964	61%	5160	39%

Ribble Valley	3196	1980	62%	1216	38%
Rossendale	5254	3767	72%	1487	28%
South Ribble	8424	5372	64%	3052	36%
Unknown	2944	1701	58%	1243	42%
West Lancashire	7729	5060	65%	2669	35%
Wyre	6323	3951	62%	2372	38%
Grand Total	102,704	65722	64%	36982	36%

The number of children receiving services at a children's centre during 2015/16 was more or less equally split between male and female.

Gender - Children aged 0-5

District	Total Children	Female	% Female registered	Male	% Male Registered
Burnley	6623	3288	50%	3335	50%
Chorley	8586	4170	49%	4416	51%
Fylde	4094	2012	49%	2082	51%
Hyndburn	9461	4696	50%	4765	50%
Lancaster	10377	5018	48%	5359	52%
Pendle	6926	3347	48%	3579	52%
Preston	9327	4592	49%	4735	51%
Ribble Valley	2368	1164	49%	1204	51%
Rossendale	4520	2225	49%	2295	51%
South Ribble	6257	3012	48%	3245	52%
Unknown	1633	831	51%	802	49%
West Lancashire	5851	2839	49%	3012	51%
Wyre	5245	2492	48%	2753	52%
Grand Total	81268	39686	49%	41582	51%

Ethnicity

During 2015/16 15% of all parents and carers who registered to receive a service from a children's centre were from BME communities. Of those registered 44% attended their local centre. This varied across districts with 57% of all registered BME parents/carers in Rossendale attending a local centre whilst only 32% of registered BME parents/carers in Fylde attended a centre.

District	Total Parents/ Carers	BME Carers	% Registered	Number Attended	Of those BME - % Attended
Burnley	8542	1669	20%	902	54%
Chorley	10182	796	8%	384	48%
Fylde	4878	386	8%	125	32%
Hyndburn	10374	1749	17%	806	46%
Lancaster	12999	1304	10%	512	39%
Pendle	8742	3077	35%	1637	53%
Preston	13133	4549	35%	1686	37%
Ribble Valley	3196	166	5%	92	55%
Rossendale	5254	618	12%	355	57%
South Ribble	8424	397	5%	118	30%
Unknown	2946	247	8%	70	28%
West Lancashire	7777	682	9%	269	39%
Wyre	6323	289	5%	101	35%
Grand Total	102770	15929	15%	7057	44%

Disability

Disability statistics are available for both parents/carers and children. 2% of all parents/carers who were registered with the service during 2015/16 reported a disability or learning difficulty. Of those 48% attended a centre to receive services.

District	Total Carers	Carers with SEN	% Registered	Number Attended	Of those with SEN % Attended
Burnley	8542	152	2%	77	51%
Chorley	10182	151	1%	73	48%
Fylde	4878	64	1%	27	42%
Hyndburn	10374	146	1%	64	44%
Lancaster	12999	286	2%	134	47%
Pendle	8742	82	1%	43	52%
Preston	13133	181	1%	78	43%
Ribble Valley	3196	31	1%	19	61%
Rossendale	5254	99	2%	65	66%
South Ribble	8424	115	1%	51	44%
Unknown	2946	36	1%	9	25%
West Lancashire	7777	111	1%	55	50%
Wyre	6323	122	2%	63	52%
Grand Total	102770	1576	2%	758	48%

Disability - Children

District	Total Children	Children with SEN	% Registered	Number Attended	Of those with SEN % Attended
Burnley	6625	135	2%	47	35%
Chorley	8586	160	2%	67	42%
Fylde	4094	91	2%	39	43%
Hyndburn	9461	200	2%	87	44%
Lancaster	10377	301	3%	96	32%
Pendle	6926	115	2%	68	59%
Preston	9328	125	1%	45	36%
Ribble Valley	2368	54	2%	23	43%
Rossendale	4520	65	1%	50	77%
South Ribble	6257	134	2%	36	27%
Unknown	1652	39	2%	11	28%
West Lancashire	5851	138	2%	58	42%
Wyre	5245	135	3%	59	44%
Grand Total	81290	1692	2%	686	41%

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

Consultation will be undertaken if this budget option proposal is approved with all stakeholders including staff, service users and partner agencies.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school?

Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

There will remain a level of universal service available to those assessed as at Level 1 on the Lancashire Continuum of Need in the form of information, advice and guidance and signposting only. These proposals will mean that stretching to maintain reach and statutory universal commitments as part of the children centre core offer will be extremely difficult with this scale of capacity reduction.

Those assessed as being on Level 2 of the Lancashire Continuum of Need are prioritised with a greater level of support being available to them. Included amongst the prioritised groups are those with disabilities or SEN, those affected by domestic abuse, groups such as Travellers and asylum seekers, etc.

The service is currently operating below planned caseload capacity and further reduction in staffing capacity will put the service at risk of being unable to support the number of families that are referred to the service, particularly those that meet the criteria for the Troubled Families programme.

The service has been unable to deliver its published service offer as agreed by Cabinet in September 2016 and has had to scale back public access and group

based programmes in neighbourhood centres which is targeted at vulnerable groups, who are often those with protected characteristics.

The service is delivering its offer through 79 neighbourhood centres. The impact of this scale of reduction will mean that core delivery in centres will need to be scaled back resulting in service users being unable to access support in some areas.

This may mean increased travel for some service users to be able to use an alternative centre. There is concern that the cost or availability of public transport may be an issue for some people and a particular concern that heavily pregnant women or those with very young babies may be particularly disadvantaged by this. This proposal may impact on staff flexible working arrangements, their location of work and other elements of how they deliver their role.

Some group sessions are already over-subscribed and potentially increased demand on a smaller number of children's centres or other resources may exacerbate this difficulty and impact people's ability to participate in some activities. A reduction in service may increase social isolation particularly for the more vulnerable service users coupled with the loss of peer support, mixing with people from different backgrounds and social status and the value of resources and support/help/advice.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

There would be an impact on partners who utilise CFW premises for service delivery within the community, reducing community's access to services such as private Nursery Day Care providers, Job Centre Plus, Citizens Advice Bureau, Welfare Rights, Midwifery and Birth Registrations.

Other budget proposals both nationally – in relation to welfare benefits reform or other support – and locally may also increase the impact of service changes.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

The impact of this proposal will be mitigated by the service progressing with proposals to work in integrated teams with partners to ensure effective and efficient use of joint resources.

The conversion of 6 new additional FTE Grade 8 posts as Family Group Conference (FGC) Co-ordinators, will enable the service to be able to have a targeted model of delivery to deliver FGC to cases stepped down from Children's Social Care.

The service will develop and implement a suitable 'Commissioning Framework' to enable commissioning of VCFS providers, with expertise in delivering targeted youth support services in a group work context to deliver priority targeted activity for young people (predominantly evening provision).

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

As part of discussions arising from this proposal, mitigating actions have been considered such as;

- clarification on the availability and nature of the universal service offer;
- addition of all new parents, children and young people at risk of or having experience of child sexual exploitation and refugees amongst prioritised groups;
- The availability of detached, mobile and outreach services as part of the Children and Family Wellbeing Service Offer;
- Neighbourhood Centres will be equipped to meet the needs of the services provided in them and some will offer increased flexibility such as variable opening hours, meeting rooms and private rooms for interviews and consultations.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

This proposal has emerged following the need for the County Council to make unprecedented budget savings.

The Medium Term Financial Strategy reported in the December 2017 forecast that the Council will have a financial shortfall of £157 million in its revenue budget in 2021/22 subject to Cabinet agreement of proposed new savings proposals.

This is a combination of reducing resources as a result of the government's extended programme of austerity at the same time as the Council is facing significant increases in both the cost and demand for its services.

It is acknowledged that this will adversely impact on children and young people and their families, some disabled young people, those who are pregnant or on maternity leave and women disproportionately and in some areas people from BME communities or other ethnic groups/nationalities may be disproportionately affected. Mitigating actions have been considered as outlined in this Equality Analysis.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

Budget option for Children and Family Wellbeing Service

Reduction of non-staffing budget £0.750m

This will be achieved by;

- Reducing the resource made available to each District to deliver the core offer of the service i.e. physical resources and equipment
- Funding of group activity delivered by 3rd party partners i.e. parenting courses, employability courses for parents

Reduction of staffing budget £0.500m

The service has been operational since April 2017 and the current staffing structure was approved to enable the agreed service specification to be delivered to its full potential. In order to achieve this proposal the current staffing resource

would need to be reconfigured. Due to the high level of current staffing vacancies we have been unable to deliver the full service specification in some parts of the County.

It is likely that this proposal if approved will have an impact on most if not all of the groups with protected characteristics.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

The service has established robust monitoring arrangements which will be maintained.

The service will continue to review how existing resources are deployed (internal and external) in order to maintain high quality service provision including the possibility that we may have to deal with reducing staffing capacity.

Equality Analysis Prepared By Debbie Duffell
Position/Role Head of Children & Family Wellbeing Service

Equality Analysis Endorsed by Jeanette Binns
Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

Where specific actions are identified as part of the Analysis please ensure that an EAP001 form is completed and forwarded to your Service contact in the Equality and Cohesion Team.

Service contacts in the Equality & Cohesion Team are:
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

**Money Matters -
Additional Savings 2018/19 – 2020/21
Cabinet January 2018**

	Contents	Page
1	CYP023 – SGO PAYMENTS	3
2	CYP025 – SECTION 17 PAYMENTS	17
3	COM002c – ASSET MANAGEMENT	31
4	COM002d – ASSET MANAGEMENT	33
5	LD001 – CENTRAL GATEWAY FUND (VCFS)	36
6	LD011 – LOCAL INITIATIVE FUND	47
7	FR006 – EARLY PAYMENTS INITIATIVE	59
8	CMTY007 – RESIDUAL WASTE	61
9	CMTY022 – LMCR RESOURCE BUDGET	63
10	CMTY030 – BUS STOP INFORMATION AND PUBLICITY MATERIAL	65
11	PH007 – SUBSTANCE MISUSE	67
12	ASC028 – LEARNING, DISABILITY & AUTISM RESIDENTIAL REVIEWS	69
13	CAS003 – CUSTOMER ACCESS SERVICE	84
14	CAS006 – CUSTOMER ACCESS SERVICE	96
15	CAS007 – CUSTOMER ACCESS SERVICE	111

CYP023 – SPECIAL GUARDIANSHIP ORDER PAYMENTS

Service Name:	Special Guardianship Order (SGO) Payments		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£5.934m		
Income 2017/18	£0.000m		
Net budget 2017/18	£5.934m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.120	-0.397	-0.673	-1.190
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>1.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1.00</i>
Decisions needed to deliver the budgeted savings	<p>Agree to review the Special Guardianship Order (SGO) policy to consider deducting child tax credit (the additional entitlement that is a result of the securing an order on the said child) from the baseline means-test allowance that is awarded to a guardian.</p> <p>This will apply to new applicants and existing guardians where applicant is eligible for child tax credit.</p> <p>To apply the revised policy to new applications with effect from 1st April 2018, and to implement a rolling re-assessment programme for existing Guardians from that date.</p> <p>This policy has been adopted by a number of other North West authorities.</p>		
Impact upon service	<p>Allowances are currently paid for c.900 children and young people. Approximately 250 financial assessments are undertaken, and c.132 new Special Guardianship Orders with allowances are granted per annum.</p> <p>Children's Social Care (CSC) workers collate information to complete the means-test financial assessment, and forms are overseen by Exchequer Services prior to a Special Guardianship Order application, support plan and financial offer being presented in Court.</p>		

	<p>This proposal will require CSC to have evidence of the additional child tax credit entitlement either:</p> <ul style="list-style-type: none"> - Prior to the Court hearing, to present the correct allowance, or - After the Order is granted, once the revised benefit entitlement has been awarded, to facilitate a reassessment to the correct allowance rate. <p>The service must adhere to strict court timescales and therefore gathering additional information will impact on resources. It is proposed that a Financial Assessment post be established (adopted by a number of authorities including Manchester and Wigan) at Grade 6, consistent with similar roles currently in Exchequer Services.</p> <p>Prospective guardians may need additional support to understand their entitlement, particularly for those not currently in receipt of benefits but who may be entitled if an Order is granted. The benefits rules are complex, particularly in light of the roll-out of Universal Credit. This expertise will need to be drawn on from outside of Children's Social Care and therefore an assessment is required as to whether the support could be absorbed within existing resource.</p> <p>Upon granting of an Order a child or young person ceases to be looked after. The Authority is no longer the corporate parent and Children's Social Care statutory intervention differs. Therefore there is an impact on both social worker resource and on placement costs of a child or young person being looked after rather than being subject to Special Guardianship Order. There could be resultant pressure on social care services if guardians perceive the change in policy will have a negative financial impact.</p>
<p>Actions needed to deliver the target savings</p>	<p>Seek legal advice in relation to applying the revised financial assessment for existing Guardians.</p> <p>Cabinet Member approval to apply adjusted financial assessment.</p> <p>Notify (in writing) all existing Guardians of the intention to undertake a financial reassessment. This will in essence be a reminder to Guardians as they should have received this information when the Order was awarded.</p> <p>Assess/identify the resource required (existing or additional) to (1) provide benefit entitlement advice to prospective guardians, (2) evidence additional entitlement to inform the</p>

	financial assessment and (3) undertake a programme of reassessment in relation to existing allowances
What are the risks associated with this saving and how will they be mitigated	<p>Existing guardians may request that an Order is revoked, and prospective guardians may be deterred from progressing an application, if the financial assessment is perceived to result in a reduction of income, they may have otherwise received if the tax credit was not removed.</p> <p>Welfare reforms 2017 – Rollout of Universal Credit. The authority will need to understand how the changes will impact on this proposal</p> <p>Mitigations:</p> <ul style="list-style-type: none"> - specialist advice in place to help carers access benefits they are entitled to (internal or via signposting to external support services) - Reassessment to be reviewed on a case by case basis, with discretion applied where appropriate.

What does this service deliver?

The legal framework for special guardianship:

The Adoption and Children Act 2002 provides the legal framework for special guardianship under the Children Act 1989.

A Special Guardianship Order is an order appointing a person or persons to be a child's special guardian. Applications may be made by an individual or jointly by two or more people to become special guardians.

The special guardian will have parental responsibility for the child. Subject to any later order, the special guardian may exercise parental responsibility to the exclusion of all others with parental responsibility, apart from another special guardian.

Where children were previously looked after prior to the making of a Special Guardianship Order, Children's Social Care have a duty to assess and support and this includes financial support. Carers can also request the Local Authority assess them as a Special Guardian if they are caring for a child who is not theirs. These cases are less common.

Local Authorities have a duty to assess and support and must consider comparison to foster care payments.

Section 4

Equality Analysis Toolkit

CYP023: SGO Payments
For Decision Making Items

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Reduce financial support from the County Council attached to Special Guardianship Orders who meet the threshold for social care assessment and support.

What in summary is the proposal being considered?

To proposal is to review the Special Guardianship Order (SGO) policy and consider deducting child tax credit (the additional entitlement that is a result of the securing an order on the said child) from the baseline means-test allowance that is awarded to a guardian. This is proposed to apply to New Applicants and existing Guardians where applicant is eligible for child tax credit.

This is in accordance with DFE guidelines and regulation 13 (Statutory guidance for local authorities on the Special Guardianship Regulations 2005 (as amended by the Special Guardianship (Amendment) Regulations 2016)).

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The decision will effect individuals equally across the county.

Those that would be effected are the cohort of:

- Current SGO carers whose financial allowance might reduce as a result of financial reassessment.
- Perspective SGO carers who are likely to receive less financial support from LCC in the future.

The expectation is that this additional support is claimed from other sources such as DWP.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes. Age – those under 18 years old or 21 who are disabled.

The proposal may impact young people who have been removed from the immediate family and placed with extended family under special guardianship. This is a vulnerable group who may have previously been subject to significant harm.

Current Special Guardians may relinquish the Order if payments to them were reduced, hence the child would become Looked After. This could result in a negative impact upon the child and carer.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

The proposal has the potential to impact on all service users open to LCC and receiving and SGO payment.

Allowances are currently paid for around 900 children and young people. Approximately 250 financial assessments are undertaken, and around 132 new SGO's with allowances are granted per annum.

There are likely to be individuals with protected characteristics within the current cohort. There will also be individuals with protected categories who we are not aware of who will come through the process of assessment in the future.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

Consultation has taken place through the DFE when Special Guardianship was reviewed 2016. The request to implement is in line with the statutory guidance 2005 which was revised 2016.

[Statutory guidance for local authorities on the Special Guardianship Regulations 2005 (as amended by the Special Guardianship (Amendment) Regulations 2016) Regulation 13]

There has been no consultation with existing SGO carers.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

Current Special Guardians may relinquish the Order if payments to them were reduced, hence the child would become Looked After. This could result in a negative impact upon the child and carer.

If the status of the young person changes there is an impact on both social worker resource and on placement costs of a CYP being looked after rather than being subject to SGO. There could be resultant pressure on social care services if guardians perceive the change in policy will have a negative financial impact.

Carers might be less able to provide provision over and above a basic need which could include participation in public life.

The proposal could affect relationships with current service users in this cohort. This impact could be mitigated by:

- Only applying to new applicants.
- Provide ample notice to the change.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Welfare Reforms and changes to universal credit could result in an exacerbated impact.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

No. The proposal is unchanged. This proposal is in line with statutory guidance.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is

important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Mitigations:

- Specialist advice in place to help carers access benefits they are entitled to (internal or via signposting to external support services)
- Reassessment to be reviewed on a case by case basis, with discretion applied where appropriate.
- Give advanced notice to cohort effected
- Take and action any legal advice
- Exercise discretion which is referred to within the regulations allowing LA to step outside of the agreed arrangement

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

There is a need to reduce expenditure and there would be a saving by implementing any of the Option as detailed in the budget option.

The proposal would apply to new applicants and existing Guardians where applicant is eligible for child tax credit.

SGO Statutory guidance states that it is important to ensure that special guardians are helped to access benefits to which they are entitled. Local authorities should therefore endeavour to ensure that the special guardian or prospective special guardian is aware of, and taking advantage of, all benefits and tax credits available to them. Financial support paid under these Regulations cannot duplicate any other payment available to the special guardian or prospective special guardian and regulation 13 provides that in determining the amount of any financial support, the local authority must take account of any other grant, benefit, allowance or resource which is available to the person in respect of his needs as a result of becoming a special guardian of the child.

The proposal is consistent with statutory guidance.

There may be challenge from Special Guardians who have possible being receiving the equivalent of the child tax credit from LCC and possibly claiming Child Tax Credit from DWP. We can provide some mitigation by supporting Guardians them to claim the benefit and to pay whilst awaiting benefit. Regulation 13 supports a decision to implement this proposal if there was a legal challenge.

We could implement this proposal immediately in relation to new applicants. 28 days' notice would need to be given to current applicants plus a further 28 days from the date they were advised that there would be a change to their payments.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

The final proposal is to review the Special Guardianship Order (SGO) policy and deduct child tax credit (the additional entitlement that is a result of the securing an order on the said child) from the baseline means-test allowance that is awarded to a guardian. This is proposed to apply to New Applicants and existing Guardians where applicant is eligible for child tax credit.

This proposal is in accordance with DFE guidelines and regulation 13 (Statutory guidance for local authorities on the Special Guardianship Regulations 2005 (as amended by the Special Guardianship (Amendment) Regulations 2016).

The proposal has the potential to impact on all service users open to LCC and receiving and SGO payment.

Allowances are currently paid for around 900 children and young people. Approximately 250 financial assessments are undertaken, and around 132 new SGO's with allowances are granted per annum.

There are likely to be individuals with protected characteristics within the current cohort. There will also be individuals with protected categories who we are not aware of who will come through the process of assessment in the future.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

The effect of the proposal will be monitored through ongoing review of the numbers of new SGO applications and SGOs in place.

Equality Analysis Prepared By Josephine Lee – Strategic Senior Manager (Childrens Social Care) / Dave Carr – Head of Service (Policy, Information and Commissioning)

Equality Analysis Endorsed by Line Manager and/or Service Head

Decision Signed Off By

Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact:

Jeanette Binns – Equality & Cohesion Manager

Jeanette.binns@lancashire.gov.uk

Thank you

CYP025 – SECTION 17 PAYMENTS

Service Name:	Section 17 Payments		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£2.729m		
Income 2017/18	£0.000m		
Net budget 2017/18	£2.729m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.350	0.000	0.000	-0.350
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	<p>Agree to cease a range of payments made to children, families and carers under S17 of the Children's Act.</p> <p>Agree to review commissioning arrangements for support in the community, to assist children and families remaining together.</p>		
Impact upon service	<p>Children and Families may not receive interventions and support which would de-escalate/prevent escalation of needs. If not considered and managed carefully might increase Children Looked After numbers.</p> <p>There may be a resultant pressure on in-house and existing commissioned services to provide alternatives to the one-off interventions that have been purchased using Section 17 funding. Examples of services which are likely to see demand pressures include Crisis Fund, Supporting Housing for Complex Young People, Emotional Health and Wellbeing Commissioned Service.</p>		
Actions needed to deliver the target savings	<ul style="list-style-type: none"> Assess impact on the Prevention and Early Help Crisis Fund and whether this might provide mitigation in some circumstances (noting that Section 17 support is based on a statutory assessment and the Crisis Fund preventative). Assess whether the criteria for access to the Crisis Fund allows it to be accessed when a Child In Need 		

	<p>assessment has taken place and provision is based on statutory assessment.</p> <ul style="list-style-type: none"> • Identify all services which should be explicitly considered prior to making Section 17 payments and develop improved guidance for social workers. • Revise the current Section 17 Policy Statement. • Communicate/engage with Lancashire County Council Services and Partner organisations (particularly in respect of Crisis Fund, Emotional Health and Wellbeing Core Offer, Department for Works and Pensions and Housing Organisations) to ensure that there are clear pathways for families to access support from other existing agencies so that Section 17 payments are only made as a last resort. • Communicate with families that might be impacted. • Redesign Children's Social Care systems and processes to reflect proposed changes. • Implement new policy and embed within Practice. • Review Commissioning arrangements for community based interventions delivered in the home.
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>Risks include:</p> <ul style="list-style-type: none"> • Increase in family breakdowns/crisis and subsequent increase in Children Looked After numbers and costs of fostering or residential care. • Greater pressure on prevention and early help third party commission for emotional health and wellbeing. • Increased pressure on internal resources. • Impact on Department for Work and Pensions who may be under increased pressure to process claims/resolve issues quickly. • Impact on District Council's where families present as homeless. • Pressure on LCC budgets for children and young people with complex needs and care leavers where children and young people present as homeless.

	<ul style="list-style-type: none"> • Impact on partner organisations generally if family breakdowns / potential for crisis increases <p>Mitigations</p> <p>Review Section 17 payments and evidence of why this was the only option available following assessment of needs so that we can:</p> <ul style="list-style-type: none"> - better identify agencies who, with more forward planning, might have been able to provide the service / prevent issue arising under their statutory duties. - develop improved guidance for social workers to ensure that S17 payments are made only as a last resort <ul style="list-style-type: none"> • Early engagement and development of clear pathways with wider LCC children's and families services (eg Welfare Rights and Family Information Service) and Partner organisations to ensure that alternative provision from existing resource is identified and accessed wherever possible • Clear approach to use of Crisis Fund and whether this might provide some mitigation in exceptional circumstances.
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What does this service deliver?

The Section 17 budget forms part of Children's Social Care service and enables social workers to give assistance (either direct financial assistance or the purchase of goods and services) to help meet statutory assessed need.

In terms of the legal definition, the Children Act 1989, sets out the following definition of Section 17, Children in Need:

It should be the general duty of every Local Authority:-

- a) To safeguard and promote the welfare of children within their area who are in need.
- b) So far as is consistent with that duty to promote the upbringing of such children by their families by providing a large and level of services appropriate to those children's needs.

The services provided by the Local Authority in the exercise of functions conferred on them by this section may include (providing accommodation) and giving assistance in kind or, in exceptional circumstances, cash for the purposes of maintaining the welfare of the child (not the adult).

Before giving assistance a Local Authority shall have regard to the means of the child concerned and of each of his parents. No person shall be liable to make any repayment of assistance of its value at any time when he is in receipt of Income Support, Child Tax Credits, or any income based JSA or of any income related employment and support allowance.

Spend is made up of hundreds of individual transactions on items. Further work is needed to review/challenge each area but significant areas of categorised spend include accommodation, childcare provision, medicals, therapeutic interventions and payments to families/carers.

Other areas of spend include Clothing, Direct Payments, Financial Assistance, Flights, Taxis, Rail fares, Food, Furniture / White Goods, Holidays/Trips and more. Cumulative spend in this areas is significant.

Section 4

Equality Analysis Toolkit

**CYP025: Children's Social Care Section 17
Payments**

For Decision Making Items

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Section 17 Payments

What in summary is the proposal being considered?

The proposal is to cease a range of payments made to children, families and carers under S17 of the Children Act

In terms of the legal definition, the Children Act 1989, sets out the following definition of Section 17, Children in Need:

It should be the general duty of every Local Authority:-

a) To safeguard and promote the welfare of children within their area who are in need.

b) So far as is consistent with that duty to promote the upbringing of such children by their families by providing a large and level of services appropriate to those children's needs.

The services provided by the Local Authority in the exercise of functions conferred on them by this section may include (providing accommodation) and giving assistance in kind or, in exceptional circumstances, cash for the purposes of maintaining the welfare of the child (not the adult).

Before giving assistance a Local Authority shall have regard to the means of the child concerned and of each of his parents. No person shall be liable to make any repayment of assistance of its value at any time when he is in receipt of Income Support, Child Tax Credits, or any income based JSA or of any income related employment and support allowance.

The County Council spends around £2.4m on payments made to or on behalf of children, families and carers which is recorded as spend under S17 of the Children Act. Within this, there is some spend which appears either miscoded or has been used as a work around where, for example, Foster Carers have not yet been set up for regular payments.

Spend is made up of hundreds of individual transactions on items. Further work is needed to review/challenge each area but significant areas of categorised spend identified from a review of 2016/17 spend included:

Accommodation	£127,680
Childcare/Nursery	£205,943
Medicals/Therapeutic Interventions/DNA Tests	£260,951 (will include pre-court experts)
Support	£112,000
Assistance	£113,185
Allowances	£ 98,071
Pay point (payments to families/carers)	£398,744

Other areas of spend include Clothing, Direct Payments, Financial Assistance, Flights, Taxis, Rail fares, Food, Furniture / White Goods, Holidays/Trips and more. Cumulative spend in this areas is significant.

Some elements of spend that could cease if we had a clear policy of not agreeing spend relating to accommodation, childcare and other discretionary payments to

parents/carers and avoided the use of therapeutic interventions paid for by LCC through the S17 budgets.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The decision will impact on children and families across Lancashire.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes, the proposal will impact on children and young people

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

There are around 2000 children and young people who have CiN status at any point in time.

Within this group there will be children and young people in challenging circumstances but as a population, their needs are not defined by their protected characteristics.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

There has been no engagement with service users/families regarding this decision. There has been some ongoing engagement with health partners to identify scenarios where therapeutic interventions paid for by the County Council should be either jointly funded or paid for entirely by Health budgets.

If the proposal is progressed, there should be further stakeholder engagement to ensure that wider LCC services and Partners are clear about approach and impact.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

-

The impact of reducing Section 17 payments will be dependent on the individual needs of children, young people and their families and the alternative ways that are identified to ensure that assessed needs are met.

Risks include:

- Possible increase in family breakdowns/crisis and subsequent increase in Children Looked After numbers and costs of fostering and residential care.
- Greater pressure on prevention and early help third party commission for emotional wellbeing.
- Increased pressure on internal resources.

- Impact on DWP who may be under increased pressure to process/resolve claims/issues quickly.
- Impact on District Councils where families present as homeless.
- Pressure on Lancashire County Council budgets for children and young people with complex needs and care leavers where children and young people present as homeless.
- Impact on partner organisations generally if family breakdowns/potential for crisis increases

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Yes. If there are potential reductions in other areas of support relating to preventative or crisis services there may be a cumulative impact, especially if these include services such as Welfare Rights or the Prevention and Early Help Fund. These services are those which provide the mitigation to this option. If provision is not available or identified through such services then support will need to be commissioned from third parties. Where this provision is in respect of an identified need under statutory assessment processes, there will be a continued need to meet the costs of provision.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

The proposal is unchanged. We will seek to meet needs through more effective use of resources where possible.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

The statutory duty remains for the County Council to safeguard and promote the welfare of children within their area who are in need and; so far as is consistent with that duty to promote the upbringing of such children by their families by providing a large and level of services appropriate to those children's needs.

The needs of children and young people must continue to be met but we need to apply clear criteria to the use of resources.

In the case of therapeutic interventions as an example, we would place greater emphasis in ensuring that the Local Authority's own resources must always be considered first, prior to the external commissioning of an agency. This means, for example, that we would always consider the Children and Families Service Emotional Wellbeing Core Offer before commissioning an external agency to provide interventions which could be offered by that service. We would also look to ensure that appropriate referrals were made to NHS commissioned services before our own external commissioning. We would seek to ensure that statutory needs continue to be met, but making better use of both our own resources and the strengths of children and families.

In the case of paying for childcare as an example, we would make clear reference to the different kinds of existing financial support available to help people pay for childcare, including free early education.

To assist in identifying mitigations we will need to review S17 payments and evidence of why this was the only option available following assessment of needs so that we can:

- Better identify agencies where, with more forward planning, might have been able to provide the service/prevent issue arising under their statutory duties.
- Develop improved guidance for social workers to ensure that S17 payments are only made as a last resort.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the

findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The County Council will continue to meet the needs of children and young people, primarily through better use of existing in-house and partner resources.

The ability to deliver savings through this option does depend on continued availability of in-house and partner services and ensuring that payments made from Section 17 budget by the County council are only as a last resort.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

The proposal is to cease a range of payments made to children, families and carers under S17 of the Children Act. This will impact on the way that the needs of children and young people are met but ultimately the statutory responsibilities to meet those needs, and the requirement for use of Section 17 budgets as a last resort, still remains with the County Council.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

The impact will be monitored through a range of indicators, related to CIN, reported to the Post Inspection Improvement Board and operational management.

Equality Analysis Prepared By Dave Carr

Position/Role Head of Service, Policy, Information and Commissioning (Start Well)

Equality Analysis Endorsed by Line Manager and/or Service Head

Decision Signed Off By

Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact

Jeanette Binns – Equality & Cohesion Manager

Jeanette.binns@lancashire.gov.uk

Thank you

COM002c – ASSET MANAGEMENT – ENERGY RECHARGE

Service Name:	Asset Management – Energy Recharge		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£0.424m		
Income 2017/18	£0.378m		
Net budget 2017/18	£0.046m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.027	0.000	0.000	-0.027
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	Agree to increase the premium charged through the traded service for management of school energy contracts which has not been increased since 2013.		
Impact upon service	An increase in the tariff levied on energy suppliers would make a minimal impact on the energy costs of most schools.		
Actions needed to deliver the target savings	Review contractual arrangements and provide appropriate notification to schools.		
What are the risks associated with this saving and how will they be mitigated	<p>There is a risk that non-maintained schools may choose to make their own arrangements for energy supply and Display Energy Certificate (DEC) certification. This would have an impact on income generation and wider training opportunities with schools.</p> <p>The Schools Funding Team in Financial Resources are currently providing support to the Schools Forum in order to understand the impact of the national schools funding formula on settings in Lancashire.</p>		

What does this service deliver?

The Asset Management Service provides a range of functions that ensure that the organisation is able to meet its statutory duties including:

- Strategic management of LCC's property portfolio (operational and non-operational) helping the delivery of corporate priorities.
- Strategic commissioner of education provision in Lancashire.
- Prioritising capital and revenue works.
- Energy related matters including electricity, fuel and water and energy conservation management.
- Systematic management and maintenance of highway infrastructure assets.
- Promotion, recruitment and coordination of volunteering across County Council services.

COM002d – ASSET MANAGEMENT – REPAIRS AND MAINTENANCE

Service Name:	Asset Management – Repairs and Maintenance		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£4.570m		
Income 2017/18	£0.000m		
Net budget 2017/18	£4.570m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.750	-0.750	-0.750	-2.250
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	Agree to a reduction in the revenue repairs and maintenance budget following the implementation of a planned programme of condition led, capital investment across property assets. Reduce the repairs and maintenance budget.		
Impact upon service	<p>The Repairs and Maintenance budget comprises three elements:</p> <ul style="list-style-type: none"> • Service contracts e.g. statutory compliance and maintenance aspects such as alarm testing, legionella testing, lift maintenance etc. • Planned maintenance • Day-to-day maintenance <p>This proposal will result in a reduced revenue capacity for unplanned works to property assets in the event of unforeseen need for repairs.</p>		
Actions needed to deliver the target savings	Production of a corporate property asset management plan underpinned by a planned programme of condition led, capital investment across property assets. The capital programme will be informed by detailed quinquennial condition surveys, statement of premise compliance returns, and wider property information e.g.		

	<p>fire risk assessment, asbestos surveys, energy efficiency etc. Adopt a lifecycle planning approach to the maintenance of county council property assets.</p> <p>Defects reported through systems will be reviewed to assess where they should be aligned with the capital programme. An agreed financial threshold will be set to enable small scale works to progress in a timely manner.</p> <p>Review service contracts to identify where efficiencies can be made.</p> <p>Consider where inspection schedules may be adopted in line with regulatory guidance and so reduce the frequency of visits.</p> <p>Develop agreed process and standards for carrying out planned maintenance where this cannot be addressed through the capital programme.</p> <p>Develop agreed process and standards for carrying out reactive repairs where they are necessary to ensure the health and safety of premise users and suitability of service delivery.</p> <p>Delivery of the capital programme will be aligned with suitability works required for service delivery as appropriate.</p>
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>Reduced flexibility to carryout reactive works. Corporate asset management board to be established with oversight of corporate asset management plan, programme of works and delivery.</p> <p>There is a risk in reducing the revenue budget available in advance of new arrangements being developed in order to progress a comprehensive capital programme. Propose to utilise £0.75m revenue in 2018/19 in order to ensure relevant data is collected, collated, stored on the Property Asset Management System (PAMS) and analysed in order to inform the capital programme. This may entail appointment of additional capacity within asset management, the commissioning of a range of premise compliance data, and the production of a corporate asset management plan.</p>

What does this service deliver?

The Asset Management Service provides a range of functions that ensure that the organisation is able to meet its statutory duties including:

- strategic management of LCC's property portfolio (operational and non-operational) helping the delivery of corporate priorities
- strategic commissioner of education provision in Lancashire
- prioritising capital and revenue works
- energy related matters including electricity, fuel and water and energy conservation management
- systematic management and maintenance of highway infrastructure assets
- promotion, recruitment and coordination of volunteering across County Council services

LD001 – CENTRAL GATEWAY FUND (VOLUNTARY AND COMMUNITY FAITH SECTOR (VCFS))

Service Name:	Central Gateway Fund (Voluntary Community and Faith Sector)		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£0.673m		
Income 2017/18	£0.035m		
Net budget 2017/18	£0.638m		
Savings Target and Profiling (discrete year):			
	2018/19	2019/20	2020/21
	£m	£m	£m
	-0.673	0.000	0.000
			Total
			£m
			-0.673
FTE implications:			
	2018/19	2019/20	2020/21
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
			Total
			<i>0.00</i>
Decisions needed to deliver the budgeted savings	Agree to cease the Central Gateway Fund (Voluntary Community and Faith Sector) Grants.		
Impact upon service	The grants would cease.		
Actions needed to deliver the target savings	The last round of Central Gateway Funding ran from 2016-18, therefore no specific actions would be necessary to cease the service. A decision on what to do with any grant funding not awarded by the end of 2017/18 would be required. Potential applicants would need to be informed of the decision.		
What are the risks associated with this saving and how will they be mitigated	<ul style="list-style-type: none"> • Risk of criticism from Voluntary Community and Faith Sector partners, and potentially other partners providing funding for the sector. • Potential for reduced capacity within Voluntary Community and Faith Sector. 		

	<ul style="list-style-type: none"> • Central Gateway Grants are used for infrastructure purposes. The viability of third sector groups may be affected by withdrawal. • Central Gateway Grants are made in line with corporate priorities, and so may affect delivery of such priorities. • Other grant funding streams offered by the Council have already been proposed to be withdrawn as savings measures. Part of the mitigation for those earlier decisions was that this funding stream was to continue. • Piecemeal withdrawal of individual grants/funding streams for the Voluntary Community and Faith Sector may not deliver the full savings potential of a wholesale review across the county of all funding provided Voluntary Community and Faith Sector. <p>Efforts have been made in the last round of awards (2016-18) to ensure the funding was directed to building capacity within the sector to encourage sustainability and self-sufficiency.</p> <p>The grants are non-statutory. However, as they are awarded in line with corporate priorities, withdrawal of front line services delivered by VCFS through CG funding may result in increased demand on LCC Services and may adversely affect particular groups.</p>
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What does this service deliver?

Central Gateway Grants offer an opportunity for infrastructure organisations or organisations providing significant infrastructure support to other third sector organisations to apply for strategic funding to help deliver Lancashire County Council's priorities and key objectives.

Section 4

Equality Analysis Toolkit

**LD001: Central Gateway Fund Grants
For Decision Making Items**

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

To cease Central Gateway Fund Grants

What in summary is the proposal being considered?

That the Central Gateway Fund Grants scheme ceases from 2018/19. The scheme provides infrastructure funding of £0.673m per annum to the Voluntary Community and Faith Sector in Lancashire.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

Grants are County-Wide.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Further analysis needs to be undertaken to assess the potential impact on any group or individuals sharing protected characteristics. However, grants are to support infrastructure development across the Voluntary Community and Faith Sector. No particular sector is targeted or given priority.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

Close partnership working with the umbrella organisation One Lancashire provides information on the use of the funding. The most recent round of funding, covering 2016-2018, was designed to boost resilience and sustainability in the sector generally, rather than target specific delivery outcomes.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

No specific consultation has been undertaken at this stage but engagement with the sector is ongoing and the proposal to cease further funding has been discussed as an option post March 2018.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

The most recent round of funding has been aimed to develop resilience and sustainability within the sector, on the understanding that there was no guarantee that additional funding would be provided post-2018. It is anticipated, therefore, that planning by the Voluntary Community and Faith Sector recipients has already taken into account the scenario that the funding could be withdrawn. However, there could still be an impact in scaled down activity undertaken by Voluntary Community and Faith Sector groups on the basis of this assumption. Many Voluntary Community and Faith Sector groups support preventative activities and/or services and their capacity to do this going forward may be adversely affected.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

The council has already proposed withdrawing two other funding streams aimed at the third sector – Members grants and Young Persons small grants. Other organisations which offer grant funding, especially elsewhere in the public sector, are under similar financial pressure and may also seek to reduce or withdraw non-statutory funding to the third sector. There could be a cumulative effect.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

At this stage it is proposed to continue with the original proposal pending the outcome of the further analysis identified above. Once this analysis has taken place the proposal maybe adjusted or stopped.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Consideration will need to be given to communicating the change with the Voluntary Community and Faith Sector and specifically with One Lancashire.

A wider review or assessment of all funding and support given to the Voluntary Community and Faith Sector by the County Council may be beneficial both in

ensuring funding is targeted and in identifying further efficiencies (to ensure best use of any funding).

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The Central Gateway Fund was always intended as an enabler, supporting self-sufficiency within the sector. Whilst stopping the funding will undoubtedly be felt, the current use of the fund and planning for beyond 2018 was always made on the assumption that the funding may end March 18.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

As originally proposed subject to the outcome of further analysis and consultation.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Continue to monitor impact on other grant funding streams and feedback from third sector groups.

Equality Analysis Prepared By Josh Mynott
Position/Role democratic and Member Services Manager
Equality Analysis Endorsed by Line Manager and/or Service Head
Paul Bond Head of Legal & Democratic Services
Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

LD011 – LOCAL INITIATIVE FUND

Service Name:	Local Initiative Fund		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£0.127m		
Income 2017/18	£0.000m		
Net budget 2017/18	£0.127m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.127	0.000	0.000	-0.127
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	Agree to cease the Local Initiative Fund Grants.		
Impact upon service	The grants would cease.		
Actions needed to deliver the target savings	Local Initiative Fund Grants are awarded on an annual basis, therefore no specific actions would be necessary to cease the service. However potential applicants would need to be contacted to let them know that the funding stream will cease. A decision on what to do with any grant funding not awarded by the end of 2017/18 would be required.		
What are the risks associated with this saving and how will they be mitigated	<ul style="list-style-type: none"> • Risk of criticism from Voluntary Community and Faith Sector partners, and potentially other partners providing funding for the sector. • Potential for reduced capacity within Voluntary Community and Faith Sector. • LIF grants operate on a district footprint, and so may affect locality working opportunities and priorities. 		

	<ul style="list-style-type: none"> • LIF Grants are made in line with corporate priorities, and so may affect delivery of such priorities. • Withdrawal of front line services delivered by Voluntary Community and Faith Sector through Local Initiative Fund Grants may result in increased demand on Lancashire County Council services. • Other grant funding streams offered by the council have already been proposed to be withdrawn as savings measures. Part of the mitigation for those earlier decisions was that this funding stream was to continue. • Piecemeal withdrawal of individual grant/funding streams for the Voluntary Community and Faith Sector may not deliver the full savings potential of a wholesale review across the county of all funding provided to the sector.
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What does this service deliver?

The Local Initiative Fund scheme, now in its sixth year, is a more targeted way of providing medium-sized grants to voluntary, community and faith sector groups that carry out important work to help communities across Lancashire. Third sector groups/organisations in Lancashire can apply for grants from £1,000 to £5,000 to support the council's priorities.

Section 4

Equality Analysis Toolkit

**LD011: Local Initiative Fund Grants
For Decision Making Items**

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

To cease Local Initiative Fund (LIF) Grants

What in summary is the proposal being considered?

That the Local Initiative Fund Grants scheme ceases from 2018/19. The scheme provides grants of between £1000 and £5000 to medium sized Voluntary Community and Faith Sector groups across Lancashire.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

LIF Grants are awarded on a district footprint. As such, they are distributed across Lancashire.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes – Grants are allocated in accordance with three priorities :

- Supporting a Total Family Approach;
- Providing Skills and Employment Initiatives;

- Providing Activities and Programmes for Young People aged 12 – 19 (up to 25 for people with learning difficulties or disabilities)

Grants may be awarded to groups offering services to all parts of the community, but the criteria clearly indicate that there is a likelihood that such grants will benefit young people to a greater extent.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

Records are held of all groups who apply, and there is a robust application and assessment process to ensure that groups meet one of the three criteria set out above. Given these criteria, age and disability protected characteristics will be the most adversely affected by this proposal.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process).

No specific consultation has been undertaken at this stage but engagement with the sector is ongoing and the proposal to cease further funding has been discussed as an option post March 2018.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities.
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

The grant awarding criteria does support the advancing equality of opportunity PSED (Public Service Equality Duty) general aim and more widely participation in public life of young people including those with learning disabilities or other disabilities.

Funding cannot be used for infrastructure purposes, and is instead intended to support specific projects or activities. Some opportunities might be lost to engage in particular activities. However, these will likely be one off, and given the maximum funding award of £5000, limited in impact.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits). Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

The council has already proposed withdrawing two other funding streams aimed at the third sector – Member Grants and Young People Small Grants. Other organisations which offer grant funding, especially elsewhere in the public sector, are under similar financial pressure and may also seek to reduce or withdraw non-statutory funding to the third sector. There could be a cumulative effect.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

At this stage it is proposed to continue with the original proposal pending the outcome of the further analysis and consultation identified above. Once this has taken place the proposal maybe adjusted or stopped.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Consideration will need to be given to communicating the change, especially to groups who apply regularly, and perhaps signposting to other grant schemes.

A wider review or assessment of all funding and support given to the Voluntary Community and Faith Sector by the County Council may be beneficial both in

ensuring funding is targeted and in identifying further efficiencies to ensure best use of any funding.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

Local Initiative Fund Grants have been in place for a number of years and are valued by the organisations which apply and benefit from them. The value of individual grants is relatively small, however, albeit that the total saving to the council is £0.127m.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

As originally proposed subject to the outcome of further analysis and consultation. Younger people who may have learning difficulties or disabilities may be affected more than other groups but further analysis is required to ascertain how.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Continue to monitor impact on other grant funding streams and feedback from third sector groups.

Equality Analysis Prepared By: Josh Mynott
Position/Role: Democratic and Member Services Manager

Equality Analysis Endorsed by Line Manager and/or Service Head:
Paul Bond Head of Legal & Democratic Services

Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact:

Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

FR006 – EXCHEQUER SERVICES - EARLY PAYMENTS INITIATIVE

Service Name	Exchequer Services – Early Payments Initiative		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18* <i>*(Estimated value of transactions)</i>	£83.333m		
Income 2017/18	£0.000m		
Net budget 2017/18	£83.333m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.100	-0.300	-0.100	-0.500
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	To agree the contractual arrangement with Oxygen Finance to implement the Early Payments Scheme which will mean if the County Council pays creditors' earlier than traditional payment terms then a discount will be incurred.		
Impact upon service	A number of improvements in operational practice are expected to flow from this arrangement if agreed, with a major one being the opportunity to increase take up of early payments by increasing the level of electronic invoicing.		
Actions needed to deliver the target savings	The County Council will need to collaborate with Oxygen Finance to adapt its operational procedures for paying creditors. Contractual terms of trading will need to be properly implemented.		

<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>Loss of potential income due to less than rigorous implementation/co-operation on the project.</p> <p>The main mitigation of this risk is expected to flow from forming a joint team, specifically working on this project, drawn from Exchequer Services staff and staff provided by Oxygen Finance who are experienced in implementing and maintaining such projects.</p> <p>This project will also be the direct responsibility of the Head of Exchequer Services.</p>
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What does this service deliver?

Essentially this service offers creditors of the Council early settlement of their payment claims in exchange for a discount payment.

It is important to note that SME's will be offered this facility at no cost.

This arrangement is based financially on a revenue sharing agreement between the County Council and Oxygen Finance – there are no other direct costs for the County Council to bear.

CMTY007 – RESIDUAL WASTE

Service Name:	Residual Waste		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£45.550m		
Income 2017/18	£5.694m		
Net budget 2017/18	£39.856m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-1.120	0.000	0.000	-1.120
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	<p>Agree to additional waste recycling processes to reduce the weight of waste that cannot be recycled, which will result in a reduction in the amount of waste being sent to landfill and therefore help save money.</p> <p>The process will use existing machinery which is currently out of use, to dry out the waste making it weigh less therefore reducing landfill costs as well as potentially creating a better product for those who can make use of some of the waste by creating energy (Refuse Derived Fuel).</p> <p>Proposal to be implemented initially at the Thornton Waste Recovery Park on a trial basis to prove ongoing financial and operational viability.</p>		
Impact upon service	Improved environmental performance and increased diversion from landfill.		
Actions needed to deliver the target savings	<p>Initial temporary employment of 13 FTE at the Council's waste company Global Renewables Lancashire Operations Ltd (GRLOL), to become permanent subject to successful delivery of the trial.</p> <p>Approval of GRLOL Board of Directors required.</p>		

	Minor modifications and maintenance to existing equipment to enable the proposed operations which will be managed within existing service budgets.
What are the risks associated with this saving and how will they be mitigated	<p>Savings based on a weight loss prediction of 25% of processed material. Target weight loss levels of 25% may not be achieved. No mitigation available due to process being untested however it is anticipated that a minimum of 20% weight loss will be achieved, therefore unlikely to result in a negative cost position.</p> <p>Part element of saving is in production of additional Refuse Derived Fuel (RDF) from residual waste. Markets which take additional RDF may not be available. Market driven requirements fluctuate and cannot be predicted or mitigated.</p> <p>Re-introduction of composting processes increases the environmental risk in the form of odour emissions. However, the operation of existing on site odour management systems has been factored into net costs.</p>

What does this service deliver?

Under the terms of the Environmental Protection Act 1990 Lancashire County Council is a 'Waste Disposal Authority' (WDA). Its role as a WDA is to make arrangements for the processing, treatment and/or disposal of all of the waste collected by district councils in their role as Waste Collection Authorities. The WDA also has a statutory duty to provide places at which householders can deposit household waste; which we do through a network of 15 Household Waste Recycling Centres (HWRCs). More than half a million tonnes of municipal waste is generated in Lancashire each year, every tonne of which the county council must ensure is dealt with.

The Waste Management service delivers some of its activities through third party contracts. These include:

- Composting of garden waste
- Processing of residual waste
- Landfilling of residual waste
- Operation of HWRCs (until April 2018)
- Operation of waste transfer stations (until April 2018)
- Miscellaneous treatment/disposal contracts: including hazardous waste, clinical waste, batteries, tyres, abandoned vehicles, chemicals and animal carcasses.

CMTY022 – RESOURCE BUDGET FOR LIBRARIES, MUSEUMS, CULTURE AND REGISTRARS

Service Name:		Libraries, Museums, Culture and Registrars – Resource Budget	
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21		2018/19	
Gross budget 2017/18		£1.238m	
Income 2017/18		£0.000m	
Net budget 2017/18		£1.238m	
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.150	0.000	-0.130	-0.280
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings		To reduce the resource fund by £0.280m. The Resource Fund covers not only physical stock on shelves but also the e-book and e-audio collections we have and licences to online reference resources.	
Impact upon service		<p>This reduction in the Resource Fund would impact on the quality of service that each service point could offer. The Library Service charges 60p per reserved item (proposals will be being presented this year to increase this cost to 75p). The expectation of the library user is that the reservation they place is satisfied as soon as possible. Current performance is as follows: - reservations satisfied within 7 days - 40% (from 55% in 2017 as the resource fund has decreased), 15 days - 78% and 30 days - 86%. We have minimal complaints with this performance level, however, with the reduction in budget we could see a decrease in customer satisfaction and an increase in complaints.</p> <p>Less up to date stock on the shelves may result in fewer visits to libraries and the service will not be able to provide as many items of stock (virtual or physical). This may impact on literacy levels especially as regards children and young people and the service's ability to support their reading development, as well as impacting on the mental health and wellbeing of our communities.</p>	

	<p>Our contract with library suppliers may mean that our spending power will reduce; we will pay more for the processing of a book which rose from 20p to 30p in September 2016 when the contract was last reviewed and also the discount we receive which has last year gone from 44.5% to 42% and will reduce this year again.</p> <p>In context this would be a further reduction in spend as over the last 3 years we have already reduced the fund by £1m.</p> <p>Spend would be on average 80p per person in Lancashire following this reduction.</p>
<p>Actions needed to deliver the target savings</p>	<p>Suppliers will need to be informed of the reduction in spend which may result in a reduction in the discount received by the service.</p>
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>There is a risk that a reduction in stock availability may lead to concerns about our ability to deliver a comprehensive and efficient service.</p> <p>The risk could be mitigated by a review of the collections policy to increase stock levels through investing resources in making good donated items so they can be used by the public.</p>

What does this service deliver?

The provision of both physical and virtual stock is a key aspect of the statutory public library service. The resource fund is fundamental in providing up to date resources to meet the requirements of the public. The Society of Chief librarians has six offers which include, reading, digital, health, learning and information. This fund enables the service to deliver all those offers alongside the Library Taskforce Ambition strategy.

CMTY030 – BUS STOP INFORMATION AND PUBLICITY MATERIAL

Service Name:	Bus Stop Information and Publicity Material		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£0.120m		
Income 2017/18	£0.000m		
Net budget 2017/18	£0.120m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.015	-0.019	0.000	-0.034
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>-1.00</i>	<i>0.00</i>	<i>0.00</i>	<i>-1.00</i>
Decisions needed to deliver the budgeted savings	<p>Reduce the cost to LCC associated with the provision of bus stop information, timetable leaflets and other literature, including bus station stand departure information.</p> <p>Agree to work with bus operators to develop a model for activity and cost sharing in relation to public transport information provision at bus stops and bus stations throughout Lancashire.</p> <p>Increase the charge for timetable changes when carried out by LCC.</p>		
Impact upon service	<p>The 2000 Transport Act makes it a duty on the local authority to make sure that appropriate transport information is made available to the public. LCC discharges this duty by producing coordinated information literature and recharging an element of this cost to the operators, whilst maintaining a similar level of service.</p> <p>The cost sharing model is likely to require the loss of one member of staff.</p>		

<p>Actions needed to deliver the target savings</p>	<p>Consult with staff affected.</p> <p>Negotiate with bus operators on options available to develop cost sharing for information that is currently provided on behalf of bus operators.</p>
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>There is a risk that it will not be possible to negotiate a suitable arrangement and that the cost saving will not be possible to achieve whilst maintaining an acceptable level of service.</p> <p>Without adequate supervision, there is a risk that the quality of service will deteriorate resulting in timetable and bus stop information being less accessible to the public. There is a substantial risk that poorer quality passenger information will result in fewer passengers, leading to higher contract costs on the tendered bus network and also commercial service deregistration's, leading to further pressures on the tendered bus services budget.</p> <p>This information is of great value to people with protected characteristics as defined by our Public Sector Equality Duty and depending on the outcome of the discussions with operators the potential equalities impact will be reviewed.</p>

What does this service deliver?

The service produces bus stop timetables and timetable leaflets for those bus services operated on behalf of and funded by the county council which are distributed to information points throughout the county. Information on changes to bus services are provided direct to County Councillors, customers and other stakeholders.

The service produces bus station passenger information, customer information posters and promotional material for sites like the Park and Rides in Preston and Lancaster and maintains bus stop plates and other related infrastructure, including bus shelter timetable cases.

The service also assists in other public transport promotional activities including providing passenger information notices for road closures and route diversions for Lancashire County Council supported services.

PH007 – SUBSTANCE MISUSE

Service Name:	Substance Misuse		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£15.833m		
Income 2017/18	£0.280m		
Net budget 2017/18	£15.553m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.300	0.000	0.000	-0.300
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings			
To agree to reduce the budget provision for dispensing fees in relation to controlled drugs, in support of substance misuse treatment, primarily opiate substitution therapy e.g. methadone, buprenorphine.			
Impact upon service			
No direct impact on service / service users – the budget has been incorporated into the financial provisions of the forthcoming tender for adult substance misuse treatment services.			
Actions needed to deliver the target savings			
To reduce the Lancashire County Council budget provision for dispensing fees in relation to controlled drugs, in support of substance misuse treatment, primarily opiate substitution therapy.			
What are the risks associated with this saving and how will they be mitigated			
None – the budget has been incorporated into the financial provisions of the forthcoming tender for adult substance misuse treatment services.			

What does this service deliver?

Substance misuse services provide clinical and psychosocial treatment for adults with dependency on drugs and / or alcohol, including the prescription of maintenance and detox medications.

ASC028 – LEARNING, DISABILITY & AUTISM RESIDENTIAL REVIEWS

Service Name:		Learning Disability and Autism Residential Reviews	
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21		2018/19	
Gross budget 2017/18*		£16.019m	
Income 2017/18*		£ 1.906m	
Net budget 2017/18*		£14.113m	
*LCC share of LD Pooled Budget			
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.045	-0.724	-0.257	-1.026
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Decisions needed to deliver the budgeted savings	<p>Agree to review people with learning disabilities and autism placed in Care Quality Commission registered residential packages located both in and out of county with an aim to</p> <p>Provide alternative local accommodation services in a more affordable and cost effective way. Primarily by offering supported living vacancies to people currently living in residential care.</p> <p>There is currently a significant over-provision of accommodation in supported living settings which represents a significant cost to the Council as a result of units of accommodation standing empty.</p>		
Impact upon service	<p>The number of residential placements both in Lancashire and out of county placements will reduce as a consequence of this proposal.</p> <p>There are currently just under 270 people (82 outside of Lancashire) with a learning disability and autism who have been placed in Care Quality Commission registered residential accommodation located inside or outside of Lancashire. The current annual cost of these placements is £13.666m (of which out of County is £6.933m)</p>		

	<p>Many of these placements are deemed to be "high cost" and when looked at by independent consultants it was felt that in approximately 50% of the cases it may be possible to offer good alternative services at a lower and more affordable cost.</p> <p>Additional impacts are:</p> <ul style="list-style-type: none"> • There may be resistance to change from service users, their families and some residential support providers to a potential move. • Some residential providers both in and outside Lancashire will lose business, but other local providers will gain new business if individuals move into their services. This will mean more of the council's spend on services will be in Lancashire rather than outside. • Some residential providers may become financially unviable if people leave the service as they will no longer benefit from economies of scale which would impact on other residents.
<p>Actions needed to deliver the target savings</p>	<ul style="list-style-type: none"> • Consult with those potentially affected by the proposal, including service users, their families and providers. • Undertake market analysis to identify gaps in local provision and develop a commissioning strategy to create local services. • Review the needs of service users in residential care including those living outside Lancashire. • Develop and secure approval for a clear council policy framework for decision making in individual cases, ensuring appropriate stakeholder consultation. • Explore current vacancies in local supported living settings or other accommodation to identify the possibility of arranging for people to move to more local and appropriate alternatives. • A full equality analysis will need to be undertaken informed by the outcomes of the consultation. Cabinet will also need to consider the potential

	Human Rights implications where service users do not agree to move from their current accommodation.
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>There are likely be some challenges by service users or their representative to any proposals to move to alternative accommodation. However, before any moves are proposed a full review/assessment of needs will be undertaken and discussed with service users, their family and any representatives.</p> <p>The Learning Disability Partnership Board made up of people with learning disabilities, unpaid carers, professionals and care providers have been consulted and are supportive of this proposal have been consulted and are broadly supportive of this proposal.</p> <p>The Local Housing / Residential Sector may not be able to deliver alternative accommodation. In order to mitigate this the local market will be alerted to future commissioning intentions to ensure that there is sufficient local provision.</p> <p>Service Providers may struggle to recruit staff in particular locations. Skills for Care have offered to support recruitment for care staff in Lancashire.</p>

What does this service deliver?

Residential care offers accommodation based support, usually in a large setting, with care shared between several residents. In some instances residential care is provided for people who may have conditions that require specialised care, which is available in limited settings, this was particularly likely where people have moved away from Lancashire. In some instances people have lived in residential settings since before supported living options were developed.

Section 4

Equality Analysis Toolkit

ASC028: Learning Disability & Autism (LDA) Residential reviews

For Decision Making Items

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Agree to review people with learning disabilities and autism placed in Care Quality Commission registered residential packages located both in and out of county with an aim to re-providing alternative, local accommodation services in a more affordable and cost effective way. Doing so would represent a cost saving as the Council is currently meeting the current costs of vacancies in supported living schemes.

There are currently just under 270 people in residential accommodation 82 outside Lancashire), the cost of the placements being £13.666m (of which £5.933m is out of County).

There are 173 vacant rooms in supported living, 60 of these attract void costs representing a total cost of £1.379m.

What in summary is the proposal being considered?

To review/re-assess people placed in residential care with a view to offering them a community based setting, with particular focus on considering supported living vacancies. Many of these residential placements are deemed to be "high cost" and when looked at by independent consultants it was felt that in approximately 50% of the cases it may be possible to offer good alternative services at a lower and more affordable cost.

In some instances a move to local services and will offer an enhanced opportunity to ensure the health and well-being of those service users currently placed out of county as they can be more closely monitored if they are living in Lancashire using local services. It is nationally recognised, in published articles such as Mansell (2015) and the follow up report to the Winterbourne View enquiry 'Out of Sight', that out of area placements are not ideal as people are often distant from their families meaning visiting is more difficult, monitoring from home services is more complicated and less reliable, while safeguarding enquiries are managed by the local services, meaning that there can be inconsistency in managing risk and in the delivery of oversight. Local Authorities and the NHS are committed to avoiding out of area placements where possible, further to a government directive in April 2016 following the publication of '*Too Far to Go*'

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

No

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

This will affect adults with learning disabilities & autism living in residential care placed both inside and outside Lancashire who are currently funded by LCC.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

There are currently just under 270 people (82 outside Lancashire) with a Learning Disability / Autism who have been placed in Residential Accommodation. This group is diverse, in respect of age, gender and complexity of disability.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

This group as a whole would be difficult to engage with due their dispersed locations. There will also be difficulties due to the nature of their learning disability and/or autism and consultation will therefore include families and/or advocates/representatives as necessary. Notwithstanding this difficulty all residents affected by this budget option will be written to for them and their carers to be given the opportunity to have a say on the budget option proposed.

The Learning Disability Partnership Board (LDPB), made up of people with learning disabilities, unpaid carers, professionals and care providers have been consulted

and are supportive of this proposal. There will be further consultation and if the option goes ahead regular progress reports given to the LDPB.

An engagement exercise was undertaken with local residential care and supported living providers in 2016 and was broadly supportive of the proposal, including changes being proposed further to individual reviews. Supported living providers were confident that they were able to support people to move to supported living and they were keen to develop services to meet the changing demands of the community. However, they remain concerned that the opportunities to grow their businesses are limited by the relatively small cohort of people that use their provision in comparison to older adults' services.

Meetings will take place with Lancashire residential providers who are likely that they will be concerned by the proposals as they represent a shift away from residential care although they can be supported to help them modernise services. Consultation would continue throughout the implementation process as provider network meetings take place every 6 weeks.

The Housing Delivery Plan detailed within *Valuing People Now (2010)* notes a National Government objective to reduce the number of people with learning disabilities living in residential care, promoting a greater emphasis on more cost effective approaches and community support models. Supported accommodation, presents opportunities for individuals such as tenants' rights, greater access to benefits, and sharing with fewer people than is usually available in residential care will be beneficial for people. There is a concern that the policy will compromise the viability of some smaller residential care homes locally if people move out.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in

mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities

- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

Moving home can have a significant emotional impact and for people with learning disabilities or autism that impact can be more significant due to cognitive impairments. Managing change can be particularly difficult for people with autistic spectrum disorders, this will be taken into account in care plans, ensuring sufficient time and adjustments are made to support any move.

People with learning disabilities and / or autism may need additional support to acclimatise to community settings and to become accustomed to new environments. Supported living means that the Council uses resources to fund care rather than buildings maintenance or utility costs, meaning resources will be utilised to fund individualised care enabling people to access the community, take part in activities and to become members of their local community.

People will however be inconvenienced by having to move, they may leave people with whom they have a good relationship, either staff or other residents which may be a significant issue for people with autism. Support for these relationships to continue will be encouraged from new settings and included in new care plans.

'Building the Right Home' guidance issued by NHS England, the Local Government Association and Association of Directors Adult Social Services as part of the Transforming Care Programme in 2016, details that people should be offered settled accommodation, residential care is not considered to be settled accommodation. In settled accommodation a person should be supported to live independently with an individual care and support package based on their needs and preferences. It is important that people have access to a variety of options to choose the accommodation that is right for them.

Settled accommodation includes:

- Owner occupier/shared ownership schemes (where the tenant purchases a percentage of the home value from the landlord)
- Supported or sheltered accommodation, supported lodgings, or a supported group home
- Approved accommodation for offenders released from prison or under probation supervision (such as a probation hostel)
- Settled mainstream accommodation with family/friends
- General needs accommodation e.g. Local Authority, registered housing provider, Housing Association, or a private landlord.

Supported tenancies are most often sited on ordinary streets in the community meaning that people will be more able to participate in the life of their neighbourhood, ideally encouraging potential new relationships and presence in the community.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

By moving people from residential care, the remaining care provision may become unviable, thereby other service users may find themselves in the position of having to move home, which may not be as easy or beneficial for them. Providers may be able to fill vacancies with people assessed as appropriate for residential care. The number of supported living vacancies are sufficient to meet any other people who may be affected. There are already existing vacancies in residential accommodation that can be utilised.

Residential care is well suited to people who need to move urgently, such as those people who are in hospital or whose family carers are suddenly unable to continue in their caring role, therefore by freeing up vacancies, the system will be more flexible to meet urgent need and respite care.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

The activity will focus primarily with people who will experience most benefit, such as younger people and those with networks in the vicinity of Lancashire, as moving long distances may be more traumatic and may represent an unreasonable expectation with poorer overall outcomes.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

People who are offered a move to supported living will be given an introduction to the new setting, typically this will include meeting potential housemates and staff members, tea visits and overnight stays to minimise difficulties with adjustment to the move.

Relationships can be maintained through visits from friends to the new settings and back, similarly trips out and phone calls will be supported to ensure networks and relationships are maintained.

The impact on residential care settings will be mitigated by the utilisation of beds by people in urgent need, though this may not be sufficient to off-set the impact, meaning that some settings may close, and remaining residents moved, this will be managed as sensitively as possible, with some residents moving to other residential homes and some being reconsidered for supported living opportunities. All assessments and support plans will be delivered through person centred, strength based assessments.

Where it is not possible to support an unviable residential home, individual residents, family members and advocates will be involved in developing plans together with social workers and learning disability health professionals to develop support plans and move to a more sustainable setting.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

Moving home may be difficult upsetting, confusing and difficult for individuals with learning disabilities and particularly so for those with autism. However, it is a familiar scenario to support providers who have experience in developing ways of managing situations to maximise involvement and confidence and minimise upset.

The longer term benefits of living in supported accommodation rather than in residential care will be advanced as people who live in supported living means:

- More access to welfare benefits in comparison to those in residential care, meaning there is greater opportunity to spend time away from the care setting, thereby having greater access to local community services.
- They will live in ordinary streets in the community meaning that people will be more able to participate in the life of their neighbourhood, ideally encouraging potential new relationships and presence in the community.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

To consult on the proposal to review the care packages of people with learning disabilities and autism who are currently supported in CQC registered residential care, with a view re-providing alternative local accommodation services in a more affordable and cost effective way where appropriate.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

This Equality Analysis will be updated following consultation and reported back to Cabinet for them to consider.

If the proposal is then agreed, implementation will be monitored through monthly reporting into governance board meetings within the County Council.

Progress will also be reported to provider network meetings and the LDPB.

Equality Analysis Prepared By Charlotte Hammond
Position/Role Head of Service, Learning Disabilities, Autism and Mental Health
Equality Analysis Endorsed by Line Manager and/or Service Head
Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

CAS003 – CUSTOMER ACCESS SERVICE – OPERATING HOURS

Service Name:	Customer Access Service		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£3.853m		
Income 2017/18	£0.035m		
Net budget 2017/18	£3.818m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.170	0.000	0.000	-0.170
FTE implications:			
2018/19	2019/20	2020/21	Total
-6.50	0.00	0.00	-6.50
Decisions needed to deliver the budgeted savings	Agree to reduce the operating hours for the Customer Access Service Social Care and bring in line with the corporate service delivered (i.e. reduce Social Care opening times to 8:00 to 18:00 Mon to Fri, instead of 8:00 to 20:00 - 7 days a week).		
Impact upon service	<p>This could be seen as a withdrawal of service, however with agreement that professionals refer into the authority in a more structured way, and a review of the Emergency Duty Team it is very feasible. There would need to be considerable investment in the cultural and behavioural changes required from our partners and Social Work teams. The Multi Agency Safeguarding Hub (MASH) model could also be impacted, however at this time they operate standard hours.</p> <p>Partners would need to agree to different ways of working and align to the authorities risk model. Agreement that only emergencies would be handled at these times.</p> <p>The call volumes that Customer Access Service (CAS) would no longer be handling would be picked up by the Emergency Duty Team (EDT) and would require a 2.50 fte transfer (£57k per annum) to the EDT establishment, reducing the CAS savings to 6.50 fte (£170k per annum).</p> <p>Savings to be made by March 2019.</p>		

Actions needed to deliver the target savings	<ul style="list-style-type: none"> • Define exact details of restructure and impact assess the proposal. • Link to technology deliverable. • Agree timescales and communicate out within the business, including any formal consultation needed • Transfer resource (2.50 fte) from CAS establishment to EDT establishment. <ul style="list-style-type: none"> - 1.27 fte @ Grade 5 - 1.23 fte @ Grade 4 • Begin immediate re-enforcement of the 'emergency only' service delivered outside of core hours, driving down volumes of contacts. •
What are the risks associated with this saving and how will they be mitigate	<p>Ensuring the appetite and determination to drive the cultural changes required are in place. In order to mitigate this all key stakeholders will be engaged throughout the implementation of this change.</p>

What does this service deliver?

Customer Access Service (CAS) is the first point of contact for 60% of all incoming telephony and email enquiries to Lancashire County Council. Our Service strategic plan has been for additional services to be delivered by CAS in order to better serve the citizens of Lancashire whilst improving costs and efficiency. The service is structured and divided into two distinct operational areas:

1. Within the dedicated Social Care Centre a highly specialised and sensitive service is delivered, offering information, advice and assistance on all matters relating to Adult & Children's Social Care. Requests ranging from simple ones such as meals on wheels applications are processed all the way through to handling more complex child and adult safeguarding contacts.
2. Within the Customer Contact Centre twenty six services are delivered including: Highways, Ask HR, Libraries, NoWcard Concessionary Travel, Registration, Certificates, Waste, and Welfare Rights. Alongside these also sits a signposting service to direct customers to other agencies across the public sector, district councils and partner organisations.

Section 4

Equality Analysis Toolkit

Customer Access Service – Cash Saving Option
CAS003

Reduction of operating hours within the Social Care area of Customer Access

January

2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

Proposal to change the operating hours for the Social Care element of the Customer Access Service (CAS) to bring it in line with the other corporate services delivered through Customer Access. Citizens of Lancashire, partners, and other professionals are currently able to contact the authority through the CAS between 08:00 and 18:00 Monday to Friday. However, for enquiries relating to Social Care they are able to make contact through CAS between 08:00 and 20:00, 7 days a week. This proposal, if agreed, would result in a reduction of staff in CAS which would be managed in the first instance through vacancies and would follow the Lancashire County Council staffing consultation protocols.

What in summary is the proposal being considered?

Changes to the operating hours for the Social Care element of the CAS to bring it in line with the other corporate services delivered through CAS. Citizens of Lancashire are currently able to contact the authority through the CAS between 08:00 and 18:00 Monday to Friday. However, for enquiries relating to Social Care they are able to make contact through CAS between 08:00 and 20:00, 7 days a week.

Currently, contacts regarding Social Care received into CAS during normal working hours (08:00 to 17:00 Monday to Friday), are triaged by the Customer Service Advisers (CSAs), who determine what action is needed working closely with the daytime Social Work teams who operate between 09:00 and 17:00 Monday to Friday. After 17:00 Monday to Friday and at the weekends these Social Work teams are not available and the County Council have an Emergency Duty Team (EDT) who respond to any emergency enquiries relating to Social Care. The Emergency Duty Team who work between 17:00 and 08:00 Monday to Friday and all day at weekends.

Between 17:00 to 20:00 Monday to Friday and 08:00 to 19:00 Saturday and Sunday, CAS answer the EDT telephone line and transfer/log emergencies to EDT. From 20:00 to 08:00 EDT answer the telephone line themselves. CAS is offering a duplicated service during the periods of 17:00 to 20:00 Monday to Friday and 08:00 to 19:00 at weekends which means there is a duplication of resource, both CSAs and managers, required. The proposal to standardise the operating hours of the CAS into 08:00 – 18:00 Monday to Friday would generate savings and yet the citizens of Lancashire would still be able to raise emergency Social Care issues as they do now.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The proposal does not impact on any specific group. This proposal would affect all citizens of Lancashire experiencing a social care emergency. The effect could potentially be unnoticeable. The majority of contacts made into EDT are from other professionals and partner stakeholders (i.e. Police, NHS) who need to liaise with EDT directly.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Although this proposal would affect all citizens of Lancashire the impact of the change, managed appropriately, would be seamless as this is the service already provided between 20:00 to 08:00 by EDT.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

The change would mean any citizens of Lancashire wanting to report an emergency social care situation would be able to speak directly to the team responsible for dealing with those situations. Providing the service is managed appropriately by the Emergency Duty Team, as is the current model between 20:00 and 08:00, the change would be seamless.

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc. to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

The majority of these calls that are presented to the EDT telephone line come from professionals involved or working with service users; the police and care agencies being the most common of these. As these agencies are well versed in the processes outside of 'core' hours, often reporting similar incidents on a regular basis (e.g. reporting falls or being unable to locate a service user) they prefer to speak directly with the EDT in order to resolve the situation as quickly as possible. This would model the Children's Social Care line following changes made earlier this year, where professionals speak directly to Social Workers. This has led to a reduction in follow up calls and a reduction of inappropriate referrals. The screening role that Customer Access undertake can be seen as unnecessary and an added step that they need to go through. This proposal would result in less staff in CAS, and although EDT would need to review their resource pool there would still be net savings for the authority.

On average Monday to Friday CAS handle 18 calls each evening between 18:00 and 20:00 on behalf of EDT, and 90 calls each day at the weekend.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when.

(Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

No engagement/consultation has taken place as no approval has been received to proceed with this cash savings option. The majority of calls received to report emergency Social Care situations are professionals including the Police and Care Agencies who are working during these periods and report situations on a regular basis. The service will not change for the user experience and instead of CAS answering the telephone 17:00 to 20:00 Monday to Friday and 08:00 to 19:00 Saturday and Sunday, EDT staff will take this on, in line with the model outside of these time periods.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed

or modified in order to do so? Please identify any findings and how they might be addressed.

No specific group would be disadvantaged by the proposed changes as they would be applicable to all citizens of Lancashire. However the impact to staffing will need to be considered. This could also be a positive change as staff impacted would be offered to take up work patterns that are more work life balance friendly, particularly staff with caring responsibilities, staff who use public transport, etc, which would also have a positive impact on recruitment and retention.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Not anticipated.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?
Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

Continuing with the original proposal. By working closely with the EDT, the transition should be invisible to service users.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Politically, this could be seen as a withdrawal of service. The communication of this change would need to be clear in that the service is not being withdrawn and that the EDT would still be dealing with emergency situations as normal. The success of this is dependent on the EDT managing the calls effectively and there should be engagement with other professional agencies to ensure they are referring into the authority in a more structured way. Work will be required with the EDT Head of Service to establish their resource needs and hand over - this could reduce the overall saving by approximately 2 FTE.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The reason for this proposal is as a contribution to the cash savings programme for the authority. The savings will be generated by a reduction in the pool of team leaders and CSAs that cover at the times that EDT also have business support officers and managers covering.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

Changes to the operating hours for the Social Care element of the CAS to bring it in line with the other corporate services delivered through Customer Access – 08:00 – 18:00 Monday to Friday. Removing the duplication in resources handling contacts between CAS and EDT.

No specific groups are affected as the service remains in place the change is to 'the team' delivering the service at these times.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

The effects of this proposal will be reviewed on an ongoing basis in terms of the performance of the EDT as well as feedback from key partners, i.e. Police, Health, etc.

Equality Analysis Prepared By - Terry White
Position/Role - Customer Service Manager

Equality Analysis Endorsed by Line Manager and/or Service Head- Sarah Jenkins
Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

CAS006 – CUSTOMER ACCESS SERVICE – PROFESSIONAL REFERRALS

Service Name:	Customer Access Service – Professional Referrals		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2020/21		
Gross budget 2017/18	£3.853m		
Income 2017/18	£0.035m		
Net budget 2017/18	£3.818m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
0.000	0.000	-0.140	-0.140
FTE implications:			
2018/19	2019/20	2020/21	Total
<i>0.00</i>	<i>0.00</i>	<i>-7.00</i>	<i>-7.00</i>
Decisions needed to deliver the budgeted savings	<p>Agree to implement a Social Care self-service portal for professional referrers.</p> <p>Currently professionals refer to both Adults and Children's Social Care using a variety of forms and also by telephone. Inappropriate referrals which do not meet the statutory levels are often received and mandatory information is often excluded. This results in a high percentage of work being stepped down and both Customer Access Service (CAS) and Social Care receiving repeat calls and emails. The savings illustrated are for CAS only and do not include potential savings in the Social Work teams.</p>		
Impact upon service	<p>This proposal in addition to creating savings, would improve the collaboration between key partners and stakeholders, working to agreed thresholds, and e-referrals into our electronic systems. This would support the Multi Agency Safeguarding Hub (MASH) models and the time to react to situations our most vulnerable families find themselves in.</p>		
Actions needed to deliver the target savings	<p>Define exact details of restructure and impact assess the proposal.</p> <p>Link to technology that can help delivery.</p>		

	<p>Agree timescales and communicate out within the business, including any formal consultation needed.</p> <p>The size and scope of this option should not be underestimated, and this proposal will cut across technology and cultures.</p> <p>This option will be a huge benefit to LCC, resulting in professionals referring consistently to the agreed thresholds. Implementing a robust self-service pathway for professionals and only accepting referrals via this method would reduce the contact capacity within Customer Access significantly. Initial investment would be required to implement a robust self-service option but this would align to the corporate digital strategy and generate ongoing savings. The referrals in the main could be presented directly to the Social Work teams with the confidence that they contain sufficient details.</p> <p>This strategy would require communication with and engagement from our partner agencies and would need to be a county wide policy as challenges and negative feedback would be generated, particularly in the early stages of implementation. This would deliver savings in the Social Work teams as well as the Customer Access Service.</p> <p>The above savings will only be realised following the successful deployment of a technology solution which would be a dynamic e-referral web form that could integrate with Liquid Logic. Costs would also be incurred (in addition to the technical solution) for staffing to implement the technology.</p>
<p>What are the risks associated with this saving and how will they be mitigated</p>	<ul style="list-style-type: none"> • Technology. • Buy in from external stakeholders. • Cultural change in Adults and Children's Services. <p>In order to mitigate these risks the following will be put in place:</p> <ul style="list-style-type: none"> • Agree decision making and governance. • • Realistic programme of work. • The proposal would require an extensive scoping exercise and the design and development of a

	<p>technological solution. Engagement with other agencies during this phase would be key.</p> <p>Even with a robust pre-implementation plan a period of snagging would be required to ensure the solution is working as expected for both the customer and Lancashire County Council and that referrals are being received as expected.</p>
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What does this service deliver?

Customer Access Service (CAS) is the first point of contact for 60% of all incoming telephony and email enquiries to Lancashire County Council. Our Service strategic plan has been for additional services to be delivered by CAS in order to better serve the citizens of Lancashire whilst improving costs and efficiency. The service is structured and divided into two distinct operational areas:

1. Within the dedicated Social Care Centre a highly specialised and sensitive service is delivered, offering information, advice and assistance on all matters relating to Adult & Children's Social Care. Requests ranging from simple ones such as meals on wheels applications are processed all the way through to handling more complex child and adult safeguarding contacts.
2. Within the Customer Contact Centre twenty six services are delivered including: Highways, Ask HR, Libraries, NoWcard Concessionary Travel, Registration, Certificates, Waste, and Welfare Rights. Alongside these also sits a signposting service to direct customers to other agencies across the public sector, district councils and partner organisations.

Section 4

Equality Analysis Toolkit

Customer Access Service – Cash Savings Option
CASoo6

Implementation of Social Care Professional Self Service Portal

January 2018

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Specific advice on completing the Equality Analysis and advice, support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting:

Jeanette Binns (Equality and Cohesion Manager) at
Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

To implement a Self Service Portal that will allow professionals and other key partners to make referrals into Social Care for assessments and support for the citizens of Lancashire, including Early Help services and Safeguarding Adults – all of whom we receive referrals from in a variety of inconsistent sources. This will be a digital service that will replace the paper-based referrals currently received and reduce the additional time and effort required to manage these.

This proposal, if agreed, would see a reduction in staff within CAS which could be up to 7 FTE. This would be managed through vacancies and using the LCC consultation protocols, including redeployment arrangements where applicable.

What in summary is the proposal being considered?

To implement a Self Service Portal that will allow professionals to make referrals into Social Care for assessments and support for the citizens of Lancashire. Currently professionals will refer into both Adults and Children's Social Care using a variety of forms or via telephone. This can result in inappropriate referrals which do not meet the statutory levels for support or referrals which contain insufficient information that require extensive information gathering from both Customer Access Service (CAS) and Adults / Children's Social Care. This can be a time consuming, and as a result, costly process.

This proposed change will be a huge benefit to Lancashire County Council, resulting in professionals referring consistently to the agreed thresholds. Implementing a robust self-service pathway for professionals and only accepting referrals via this method would reduce the contact capacity within Customer Access significantly. Initial investment would be required to implement a robust self-service option but this would align to the corporate digital strategy and generate ongoing savings. The referrals in the main could be presented directly to the Social Work teams with the confidence that they contain sufficient details.

This proposal, in addition to creating savings, would improve the collaboration between key partners and stakeholders while working to agreed thresholds. It would support the MASH models and the time to react to situations our most vulnerable families find themselves in.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The proposal would affect people in the same way as it would be a standard referral pathway for all professionals wishing to make referrals into Lancashire's Social Care services.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

The proposed change would not have a direct impact on any of the protected characteristics although engagement from professionals would be required in order to ensure that no group are indirectly impacted.

This proposal will be positive in terms of responding to referrals for service users, as this will speed up the process, and will also benefit from key facts and information being a mandatory element of the form. In terms of professionals using the new portal, guidance will be given on any new system as part of its implementation. Also, in scoping for the new technology, consideration will be given to compatibility of any new system with assistive technology used by disabled employees – e.g. equipment

used by visually impaired, dyslexic or other employees would need, wherever possible, to function with any new system.

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

Different professional agencies use their own forms / methods of referring into Adult Social Care and in many cases, Children's Social Care. Often the forms used are not fit for purpose as they do not contain mandatory information and require outbound calls to be made in order to gather additional information. As the professionals who are making these referrals are also handling their own case work they are not always readily available to provide the missing information, which at times adds further delays into the process and getting the referral to the appropriate Social Work team.

Lancashire Constabulary use their own system to refer into Social Care, as do the Northwest Ambulance Service. The NHS use a variety of paper based forms, from hospital discharges to ordering occupational therapy equipment which are often handwritten and sometimes difficult to translate. These all require deciphering and manually rekeying into the Lancashire County Council Social Care systems (Liquid Logic).

Carer's services also use paper forms as do housing associations and care agencies. None of the forms align to the Liquid Logic systems and are based on the information they presume is relevant to provide, not the information that Social Care services require.

GPs will write to request an assessment of a person without any details of the reasons for the referral and without the person's consent. This can result in inappropriate and unwanted referrals which are time consuming and result in repeat contacts into Customer Access.

The proposal could result in an improved service for the public as outcomes from referrals might be speeded up. Given that these are social care related referrals the age (younger and older people) disabled people and pregnancy and maternity protected characteristics could be expected to be the most affected as they are more likely to be recipients of social care.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when. (Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

Limited prior engagement with various agencies has occurred previously at an operational level and there was some resistance to change.

However agreement would be needed by the associated safeguarding boards for both Adults and Children and following this arrangements for consultation could be defined.

Some agencies would welcome the change as it would be more efficient for them and it would align to the digital transformation of all organisations.

Prior to any consultation with external stakeholders, the Adult and Children services will need to work closely with BTLS, Core Systems and the Web team to design an e-referral form, which aligns to Liquid Logic. Work is already taking place regarding the Early Help models (including systems) – this proposal would also need consideration at this the board for this project.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

No specific group would be impacted directly by the proposed change but engagement throughout with all partners and professional referrers would be required to ensure that groups with protected characteristics are not indirectly impacted. If an organisation were to be resistant towards the adopted referral pathway it could lead to a delay in the referral of a service user.

Consideration is needed regarding the authorities Public Sector Equality Duty (PSED) and relating this to the scope of any associated technology.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

There are no known issues that might combine with this proposed change to have a cumulative effect but each agency will have their own technology roadmap and their plans may clash with this. It is important that from a strategic level that Lancashire County Council are clear in what the requirements are for referring someone for one of their services.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

Continuing with the original proposal. The proposal would require an extensive scoping exercise and the design and development of a technological solution. Engagement with other agencies during this phase would be key.

Even with a robust pre-implementation plan a period of snagging would be required to ensure the solution is working as expected for both the customer and Lancashire County Council and that referrals are being received as expected.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Although this should be seen as a step forward into the digital era there will undoubtedly be some resistance to change at an operational level within different organisations, particularly large organisations such as the NHS which have multiple departments and complex communication requirements. It is essential that buy in is received at the appropriate level for not only the acceptance of the change but also of the need to ensure the change is fully adopted throughout the organisation. They will need the appetite and vision to see the positive impact pan-Lancashire not just for Lancashire County Council.

As the change would not affect non-professionals there would be limited political implications from the general public and they would still be able to request help and support from all access channels.

The impact to staff who currently key the referrals into the system – the first option is to manage this through vacancies, using the LCC consultation protocols and redeployment arrangements where applicable.

Consideration for guidance and support of professionals and other stakeholders who will be referring through this channel to ensure that the experience is positive and all mandatory data is collected through the on line form.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The reason for this proposal is as a contribution to the cash savings programme for the authority. The savings will be generated by a reduction in the pool of CSAs that currently re-key email/other referrals from professionals and other key partners, and also reduce the time spent trying to retrieve mandatory information missing from the referrals.

Providing the change is carefully managed the impact on the citizens of Lancashire could be minimal and it would be viewed as a progressive step towards Lancashire County Council's digital agenda.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

To implement a Self Service Portal that will allow professionals to make referrals into Social Care for assessments and support for the citizens of Lancashire. This will be a digital service that will replace the paper-based/email referrals currently received and reduce the additional time and effort required to manage these.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

The effects of this proposal will be reviewed on an ongoing basis in terms of the take up from each agency, the volume of referrals received and the need for additional information gathering required.

The performance of Customer Access would also be assessed against previous performance in this area to ensure the proposed financial and staffing benefits are realised.

Equality Analysis Prepared By - Terry White
Position/Role - Customer Service Manager

Equality Analysis Endorsed by Line Manager and/or Service Head – Sarah Jenkins
Decision Signed Off By
Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

For further information please contact
Jeanette Binns – Equality & Cohesion Manager
Jeanette.binns@lancashire.gov.uk

Thank you

CAS007 – CUSTOMER ACCESS SERVICE – INTERNAL ASK HR SELF SERVICE

Service Name:	Customer Access Service – Internal Ask HR Self Service		
Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21	2018/19		
Gross budget 2017/18	£3.853m		
Income 2017/18	£0.035m		
Net budget 2017/18	£3.818m		
Savings Target and Profiling (discrete year):			
2018/19	2019/20	2020/21	Total
£m	£m	£m	£m
-0.174	0.000	0.000	-0.174
FTE implications:			
2018/19	2019/20	2020/21	Total
-7.00	0.00	0.00	-7.00
Decisions needed to deliver the budgeted savings	<p>Agree to implement a self-service option for internal customers for Ask HR.</p> <p>The Ask HR service has the highest service level agreement (95% calls answered) with contacts generated entirely from internal Lancashire County Council employees, 65% regarding corporate HR and 35% from schools. Enforcing self-service for the corporate element, facilitated through improved online guidance and escalated through managers would generate savings within the Customer Access Service. In 2016/17 84k calls were made to the Ask HR line, of these 54K were made by LCC staff. A further 43K email enquiries were also received.</p>		
Impact upon service	<p>If managed in line with the other options proposed by Customer Access Service and the technology implementation. This approach will require cultural change for Lancashire County Council staff to be reminded to use the Intranet at the first point of contact. This transition could be supported by the Web Chat tool within CA, supporting users to navigate. Initial work to re-design and re-build resources would be required as would communication and engagement with all Lancashire County Council employees.</p>		

<p>Actions needed to deliver the target savings</p>	<ul style="list-style-type: none"> • Agreement from HR Services (Corporate and BTLs). The intranet would need to be updated to enable user friendly self-service options, the information and guidance is clear, and related transactions can be completed at information source within the intranet. Users should be able to track the progress of their transaction electronically, for example job advert executed, new post set up etc. • Communication to all staff • Introduction of Web Chat to transition self -service in a supported manner. • The 'HR Front Door Board' would need to be re-focused to scope the work needed to, the technology, it may be appropriate to pilot the approach on one of the frequently asked topics, - i.e. queries around pay or leave. Board members previously included representation from Corporate HR, BTLs, CAS and Core systems.
<p>What are the risks associated with this saving and how will they be mitigated</p>	<p>Ensuring that the relevant aspects of the intranet is fit for purpose</p> <p>Agreeing a process for progressing exceptions</p> <p>Ensure that the proposal is only implemented with the dependencies</p> <p>The reliance on option delivering the savings should not be underestimated, if the technology, guidance and self-service tools are not simple and innovative, users will find workarounds which could result in additional work for other teams, BTLs and Corporate HR. This option will need to involve training for managers, and buy in from Executive Directors to be accountable through their Directors and Heads of Service. The flows between the self- service information and guidance will need to be seamless between the policies managed by Corporate HR and the transactions managed by BTLs, with an end to end review of key tasks undertaken by managers, recruit a new member of staff, set up the appropriate system logins, and refer to OHU etc.</p>

What does this service deliver?

Customer Access Service (CAS) is the first point of contact for 60% of all incoming telephony and email enquiries to Lancashire County Council. Our Service strategic plan has been for additional services to be delivered by CAS in order to better serve the citizens of Lancashire whilst improving costs and efficiency. The service is structured and divided into two distinct operational areas:

1. Within the dedicated Social Care Centre a highly specialised and sensitive service is delivered, offering information, advice and assistance on all matters relating to Adult & Children's Social Care. Requests ranging from simple ones such as meals on wheels applications are processed all the way through to handling more complex child and adult safeguarding contacts.
2. Within the Customer Contact Centre twenty six services are delivered including: Highways, Ask HR, Libraries, NoWcard Concessionary Travel, Registration, Certificates, Waste, and Welfare Rights. Alongside these also sits a signposting service to direct customers to other agencies across the public sector, district councils and partner organisations.

Money Matters
The County Council's Capital Financial
Position
As at 31st December 2017

1. Capital Programme 2017-18

1.1 The 2017-18 Position – Capital Programme LCC (excluding LEP / City Deal)

The 2017/18 Capital Programme for 2017/18 approved by the County Council in February 2017 originally totalled £126.184m, including slippage from previous years and relating to LCC (non-LEP) activity. Subsequently there have been a number of additions and changes to the programme totalling £45.427m which give an amended delivery programme for 2017/18 of £171.611m as set out in Table 1.

Table 1 -2017/18 Capital Programme breakdown by block.

Service Area	2017/18 Delivery Programme agreed at Feb 2017	Changes to 2017/18 Capital programme including additions and reprofiling decisions	2017/18 full year programme of delivery	2017/18 full year forecast outturn	Forecast variance	Forecast variance as a percentage of delivery programme
	(£m)	(£m)	(£m)	(£m)	(£m)	
Schools (ex DFC)	29.687	-1.552	28.135	25.388	-2.747	-9.76%
Schools DFC	2.633	2.260	4.893	7.523	2.630	53.75%
Children and Young People	3.014	2.828	5.842	7.961	2.119	36.26%
Highways	45.977	4.577	50.554	44.064	-6.490	-12.84%
Transport	26.582	11.565	38.147	36.415	-1.732	-4.54%
Waste and Other	2.023	4.412	6.435	2.899	-3.536	-54.95%
Adults Social Care	0.562	13.508	14.070	12.769	-1.301	-9.25%
Corporate	12.276	8.479	20.755	15.202	-5.553	-26.75%
Vehicles	3.430	-0.650	2.780	3.050	0.270	9.71%
Totals	126.184	45.427	171.611	155.271	-16.340	-9.52%

At December 2017, the 2017/18 capital programme is forecast to underspend by £16.341m, the analysis at Section 1.3 shows more detail of performance by block. Work is underway to ascertain how much of this variance will need to be spent in future years.

1.2 Analysis of 2017/18 Forecast Variance

The variance to expected delivery can be categorised into the following reasons;

- underspends or overspends – these are reported mainly on completed projects unless forecasts from project managers highlight issues within a scheme;

- slippage or under delivery – these occur when projects have stalled or experienced delivery delays;
- over-delivery – these occur where spend is in front of the anticipated programme. A summary by block is included at Table 2.

Table 2: Analysis of Forecast Variance

Service Area	Forecast Variance (£m)	Forecast Underspend (£m)	Forecast Overspend (£m)	Slipped Delivery (£m)	Advance Delivery (£m)
Schools (incl DFC)	-0.117	-1.991	0.372	-6.066	7.568
Children and Young People	2.119	-0.143	0.003	-2.330	4.589
Highways	-6.490	-0.460		-6.030	
Transport	-1.732		2.812	-5.845	1.300
Waste and Other	-3.536	-3.161		-0.375	
Adults Social Care	-1.301	-0.007	0.134	-1.428	
Corporate	-5.553		2.250	-7.803	
Vehicles	0.270		0.570	-0.300	
Totals	-16.341	-5.762	6.141	-30.177	13.457

1.3 Capital Outturn Variance Analysis detail - narrative for each block for 2017/18 Delivery Programme

Schools incl. DFC

The current total forecast spend for Schools is £32.911m. This represents a net spend less than delivery programme of -£0.117m. This can be summarised as follows:

- Slipped delivery to the value of **-£0.923m** is currently anticipated across the whole Schools Block.
- Potential over spends totalling **£0.025m** are flagged as a risk across a small number of projects due to complete in year.
- Potential under spends of **-£0.463m** are forecast on a number of projects due to complete in year.
- Advanced delivery of future years' programme to the value of **£4.173m** is forecast in 2017/18. £2.629m of this relates to the transferral of accrued unspent Devolved Formula Capital funding balances to Community, Foundation and Voluntary Controlled schools in September 2017. These balances were being held by LCC and were profiled for expenditure in future years.

Additionally, a total of 8 Basic Need projects are forecast to spend ahead of the phasing originally estimated at the outset of the project and are consequently forecast to incur a total of £0.958m of expenditure that was originally profiled to be spent in future years.

- The Condition led programme forecasts a net expenditure less than the delivery budget of **-£5.171m** regarding unallocated budgets.

This can be further summarised as follows:

- £0.705m variance against the approved contingency relating to the £15.9m 2017/18 start Condition Led programme which, while committed is unlikely to be spend during 2017/18.
 - -£5.143m of the variance refers to the re-phasing of the £15.9m 2017/18 start Condition Led programme per the Condition Capital Strategy report of 10th August 2017 in accordance with projected delivery timeframes and is now scheduled to be delivered next year.
 - £1.500m refers to the advanced programming of unallocated budget originally phased for delivery in 2018/19 for phase 2 of the Colne Lord Street dry rot remedial project per the cabinet paper approved 25th July 2017. This will result in underspend in future years.
 - -£0.823m unallocated and contingency remaining from the 2015/16 start Condition led programme which is committed until the programme is completed, at which point it will be released for reallocation to new projects. It is not currently forecast to spend in 2017/18.
- The Basic Need programme further forecasts a net expenditure more than budget of **£2.242m** in reference to un-programmed budgets. Of this, £0.347m refers to the net overspend incurred in previous years which has been met from unallocated budgets in 2017/18. In addition, £1.895m refers to the proportion of 2017/18 approved £5.040m Basic need programme which is to be delivered in 2017/18. This is funded from the Basic Need unallocated budget previously phased for delivery in 2018/19 and will result in an equivalent underspend in future years. The remainder of the programme has been re-phased to 2018/19 and beyond in accordance with estimated delivery timeframes following design development and tender approval.

Children and Young People

The current total forecast spend for CYP is £7.961m. This represents a net spend greater than delivery programme of £2.119m. This can be summarised as follows:

- **£4.046m** forecast expenditure ahead of the 2017/18 profile relating to the contribution to City Deal budget re Preston Youth Zone. This profile will result in lower spend in later years.
- **-£2.330m** of slippage from the 2017/18 delivery budget into future years. The majority of this relates to an unallocated budget in the Residential Redesign programme of £2.091m for which no expenditure is forecast until revised plans are presented to and agreed by Cabinet regarding the development of a further Overnight Short Breaks unit. A further £0.560m is profiled for this project in the 2018/19 budget. The Tower Wood replacement jetties forecast remains forecast to slip by -£0.222m into 2018/19. A

contractor for the project has been agreed but the Environment Agency have advised that work cannot begin on site before the 1st May 2018 when the spawning season of the Arctic Char has ended. Other small slippage variances totalling £0.016m are forecast on two Residential Redesign projects.

- There are advanced delivery variances of **£0.543m** to unallocated budgets in year which act to reduce the unallocated funding profiled in future years. £0.382m refers to decisions to fund projects from unallocated funding budgeted and profiled for expenditure in future years (£0.122m for the Bungalow, £0.223m Tower Wood Jetties, £0.014m Belvedere Road windows, £0.023m Marsden Hall Road residential home bathroom refurbishment). £0.161m refers to the net cost to the unallocated funds of absorbing overspending incurred on completed projects from prior years where the budget for delivery was slipped to years 2018/19 onwards.
- The Farington Lynhurst Overnight Short Break unit delivered from the Residential Redesign programme is forecast to complete under budget resulting in an expected underspend of **-£0.143m**.
- An overspend of **£0.003m** has been incurred on a Residential Redesign project at Thornton Belvedere Road Children's home.

Highways

The current total forecast spend for Highways is £44.064m. This represents a net spend less than delivery programme of -£6.490m. This can be summarised as follows:

- A forecast projected underspend of DfT funding for Flood Damaged Roads and Bridges of **-£1.600m**. This is mostly due to the Dinckley Bridge project - there are insufficient funds available to deliver a completely new structure therefore a revised project is in the process of being designed. Due to the environmental restraints of working in the river the works are now programmed to start in April 2018. There will be some costs in 2017/18 for site clearance/preparation, however the majority of costs will now slip to 2018/19.
- A projected underspend of **-£0.460m** in the drainage programme. The projected underspend has arisen due to several 2017/18 schemes being forecast to slip into 2018/19. In addition, some older schemes have been cancelled, been less complex than anticipated or completed at no cost to LCC.
- A projected underspend in the Bridges programme of **-£0.430m**. This is due to a -£0.100m underspend for delay in works to "The Brig" resulting from a licence being required, a -£0.250m underspend relating to Pinder Hill due to complexities with Utilities meaning construction is now only due to commence April 2018 and a projected underspend of -£0.080m due to the lack of availability of key personnel causing the 2016/17 Holden Wood project not progressing as intended.
- A projected underspend of **-£4.000m** in the Roads programme. In July 2017 an additional £5m was approved for Highway Maintenance. This was split: £1.000m Responsive/Reactive Maintenance, £1.000m Early Intervention and £3.000m Projects

and Resources Planned Works. The £3.000m programme of works for Projects and Resources Planned works is currently on hold and therefore it is unlikely that any schemes will be delivered in the current financial year causing an in year underspend and of the remaining £2m it is unlikely that all schemes will be delivered before the end of March 2018 so slippage of £1.000m has been included in the forecast.

Transport

The current total forecast spend for Transport is £36.415m. This represents a net spend less than delivery programme of -£1.732m. This can be summarised as follows:

- Slippage in delivery of **-£5.844m**. This is due to either delays to delivery of projects or unallocated budgets where delivery projects have not yet been identified
- Overspends in year, including spend to complete projects from earlier years of **£2.812m**
- Advance delivery of future years project allocations of **£1.300m**
- Burnley Pendle Growth Corridor – This programme of works is a £13.000m scheme of alterations to junctions on the M65 and surrounding road networks. It is a multi-year programme due to fully complete by March 2020. Prior years have seen the improvements at Junction 12, Junction 7, Dunkenhalgh way and improvements to Rosegrove Station. In 2017/18 improvements to M65 Junction 13 and works on Hyndburn Road have been completed to date, further works already ongoing are due to complete by May 2018, whilst other later stages are currently at design or planning stage. Whilst ongoing works have met some budget pressures these have been met within the programme and later stages, that are yet to be designed, will be designed to remain within budget. The forecast spend in 2017/18 of £3.659m against a delivery programme of £6.348m represents slippage of works to future years – expected spend in 2018/19 is currently £3.290m. Whilst changes have been made to the original programme due to operational and weather related issues, there are currently no indications of risk in terms of time or cost that will have a further overall impact on the full multi-year programme.
- East Lancashire Strategic Cycleway - This programme of works is a £6.000m programme enhancing and creating cycle links in East Lancashire and Blackburn and creating leisure and cycle links to employment opportunities. The works started in 2016 and are due to complete by November 2018. Whilst there have been budget pressures identified through the project, mainly due to changes to design and intended treatments following public consultation, and additional funding was agreed to be budgeted for, the programme is not forecast to exceed the now increased budget over the project lifetime. This year has seen the completion of sections of the cycle way in the valley of Stone, continued works on parts of National Cycle Route 6 and the Weavers wheels section, with further works due to complete by the end of the financial year.

- Burnley Town Centre Works - This is a project of improvements works in and around Burnley town centre, with additional funding agreed the total increased project budget is £3.950m and works were completed in December 2017.
- National Productivity Investment Fund (NPIF) - The £4.655m received in year is being used to fund development works on business cases for future bids (£0.020m) with the remainder being allocated to schemes by year end. A business case namely, Design of M65 Growth Corridor Improvements at J8, 9, 10, 13 & North Valley Rd/ Vivary Way has been allocated £0.200m, however works are yet to start suggesting that there is a risk of slippage into 2018/19. The unallocated monies are budgeted in year but may be slipped into future years if not allocated.
- S106 M55 Heyhouses Link Road Design - This scheme of works has an estimated cost of £25.270m and requires several proposed funding partners, including but not limited to Fylde Borough Council, the Lancashire Enterprise Partnership, Highways England, the Department for Transport and Kensington Developments Limited.

The scheme is designed to connect the existing roundabout at Whitehills Road to the north with Heyhouses Lane near the Cyprus Point development site to the south. It is a multi-year programme due to be completed in 2021. The forecast spend in 2017/18 is £0.180m. The scheme has experienced some delays in the consultant design stage due to an engineering problem, however this has now been overcome and revised proposals are expected by the close of Quarter 4. Discussions with several funding partners are currently ongoing and likely to continue into 2018/19.

- Skelmersdale Rail link - The overall programme budget of £5.655m includes work on the station business case and the works to demolish Glenburn college campus. The delivery programme for 2017/18 for the programme was £3.380m and anticipated spend in 2017/18 is £1.729m which represents slippage to the programme of £1.651m in year. This is forecast to be spent in 2018/19 along with the remainder of the programme budget. Total spend in 2018/19 is forecast at £3.713m. The works at Glenburn College site have commenced with a contract end date of July 2018 and is currently forecast to be within the £1.380m project budget. The business case for the station is progressing through the GRIP stages with the GRIP 2 study being refreshed and GRIP 3a targeted by March 2020.
- Cycling Safety - Total Delivery Programme for 2017/18 is £0.761m with forecast spend in 2017/18 being £0.146m which represents an under delivery of £0.615m in the programme. This is due to the following; delivery expected in year but now delayed due to issues with scope or funding (slippage) £0.159m over 5 schemes, a programmed amount of £ 0.458m, underspends on completed projects of £0.012m and an over spend on a completed scheme of £0.014m.
- Contribution to City Deal - There is a recurring annual commitment of £2.500m from the integrated transport grant that is committed to City Deal as a funding source for the infrastructure delivered through City Deal. In 2017/18 this will be increased by £3.500m as there is a cabinet commitment to pay £6.000m over 2 years towards the costs of Preston Bus station refurbishment. This will need to be borrowed for, so while it is shown as spend on budget against delivery programme it is important to note the need to finance this commitment.

- Ormskirk Town Centre – The programme is forecasting an under spend in year of £0.632m. The remaining budget will be re-profiled into later years and is included in the risk to slippage over the block as a whole.
- Pennine Reach - The expected end date is now April 2018 after delays due to land negotiations. There is a potential overspend arising on the project of £0.300m.
- Master Planning works - Provision was made in the programme in 2017/18 for master planning activities through the county totalling £4.725m. To date, no expenditure has been incurred on these projects and whilst spend is forecast at budget levels, there remains a risk that this will slip into spend in future years.
- There are also £12.865m of budgets on projects which do not have any spend to date but are forecast to be spent fully in year. This represents a risk of slippage at this stage of the year.

Waste

The current total forecast spend for Waste is £2.899m. This represents a net spend less than delivery programme of -£3.536m. This can be summarised as follows:

- Fire Suppression Systems at Thornton and Farrington - The forecast cost of £0.830m reflects the spend to complete the fire risk mitigation project resulting in an underspend on the project in 2017/18 of **-£2.979m**
- Rowley Landfill Site - The forecast underspend of **-£0.182m** reflects the total tender price coming in under the original budgeted price agreed in 2016/17
- Jameson Road HWRC has a forecasted slippage amount of **-£0.321m** and is expected to be spent in 2018/19. There is also an expected overspend for the project of £0.015m due to increased costs which is expected to materialise in 2018/19
- The relocation of Metrology Service has a forecasted slippage amount of **-£0.054m**. The project is anticipated to start 30 October 2017 with a small slippage into 2018/19

Adults Social Care

The current total forecast spend for Adults Social Care is £12.769m. This represents a net spend less than delivery programme of -£1.301m. This can be summarised as follows:

- A forecasted slippage amount of **-£0.213m** on the Libraries Regenerate monies not yet allocated. This will be spent on the Libraries Regenerate programme in future years, and will be managed within the Property portfolio within the Corporate block of the programme.
- The Improving Information Management for Social Care project is being forecast to partly slip into 2018/19 by an amount of **-£0.215m**

- Projects have been identified to be funded from the Social Care Capital grant but work is not expected to start until 2018/19. This causes a forecast slippage amount of **-£1.000m**
- Changing places for severely disabled adults pilots. A **£0.084m** tender has been received for completion in February 2018 for Preston Chapel Yard. These monies have come from prior year slippage
- An in year spend of **£0.050m** to fund a Preston Bus Station Changing Places project has been agreed from prior years Unallocated balances.
- There are also various small underspends on projects causing an in year underspend of **-£0.007m**

Corporate

A forecast net spend of -£5.553m less than budget is forecast on the current 2017/18 profiled delivery programme. This is explained as follows:

- A forecast overspend in 2017/18 of **£0.500m** on the County Hall refurbishment project. This is due to £0.100m of 2018/19 budget being spent in advance and a final forecasted project overspend of £0.400m
- A forecast overspend of **£0.040m** on Cuerden Strategic Site Masterplan. This is due to the final delivery costs expected to cost more than budget
- £1.500m has been allocated from the Economic Development unallocated budget to contribute towards the funding of Lomeshaye Industrial Estate. The funding has been allocated in 17/18 to enable the bids to be submitted for Growth Deal funding, but is likely to cause an **-£1.500m** in year underspend as delivery is likely to be in 2018/19.
- Forecast in year underspends of **-£3.303m** on a range of projects including the property programme, green energy programme and several ICT projects are due to delays in planned expenditure and are now forecast to be spent in future years.
- The Superfast Broadband project is forecasting approximately **-£3.000m** of the 2017/18 budget to slip into future years. The first payments for 2017/18 were only made in December 2017 so the majority of the 2017/18 delivery programme is expected to slip into 2018/19.
- A forecast overspend of **£1.710** on the Core System Transformation. This is due to the increased costs of the Oracle modules and other spend on projects which were already over budget in previous years.

Vehicles

Forecast overspend of **£0.270m** due to slippage of £0.300m due to longer than anticipated lead in times for some vehicles and an over spend of £0.570m on projects carried forward from prior years.

1.4 Capital Programme Financing

The Capital Programme is financed from a variety of sources and the breakdown of the anticipated spend by financing type is shown in Table 3 below. The current anticipated spend in the years 2017/18 to 2019/20 represents the budgets of projects identified to date and their year of delivery. Some projects (e.g. those financed by Department for transport grants in 2018/19) are not identified in the monitoring at this stage. Once the programme of works for these future years has been approved the grants anticipated will be applied to the delivery of them.

Table 3: Three year Capital Programme Financing

Anticipated Spend	2017/18 (£m)	2018/19 (£m)	2019/20 (£m)
Schools (exl DFC)	25.388	28.312	20.188
Schools DFC	7.523	2.629	0.000
Children and Young People	7.961	4.560	3.588
Highways	44.064	22.529	0.042
Transport	36.415	19.638	0.840
Waste and Other	2.899	0.100	
Adults Social Care	12.769	7.808	6.061
Corporate	15.202	28.139	24.700
Vehicles	3.050	3.910	0.000
Totals	155.271	117.625	55.419

Finance by:

Borrowing	84.719	65.155	35.189
Grants	66.108	50.343	20.230
Developer contributions	4.383	2.097	0.000
3 rd Party contributions	0.062	0.031	0.000
Total funding	155.271	117.625	55.419

1.5 Future Years Capital Programme.

Based on Section 1.4 above and taking into account projects totalling £35.312m planned to utilise grants to be received in 2018/19 (see Appendix 1); the capital programme for the three years 2018-19 to 2020-21 will be as below. This does not include any slippage from 2017/18 delivery programme which will be added to the delivery programme for 2018/19 below to be monitored as delivery in 2018/19.

Should all the items in Appendix 1 be approved for delivery, the capital programme for monitoring in 2018/19 will be as below, along with the financing requirements to meet this commitment.

3 Year Capital Programme 2018/19 to 2020/2021	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)
Schools (exl DFC)	32.612	20.188	
Schools DFC	5.156	0.000	
Children and Young People	4.560	3.588	
Highways	53.415	4.551	4.797
Transport	25.692	0.840	
Waste and Other	0.100		
Adults Social Care	7.808	6.061	
Corporate	28.139	24.700	
Vehicles	3.910	0.000	
Totals	161.392	59.928	4.797

Finance by:

Borrowing	73.610	38.644	3.455
Grants	85.655	21.284	1.342
Developer contributions	2.097	0.000	0.000
3 rd Party contributions	0.031	0.000	0.000
Total funding	161.392	59.928	4.797

The additions to the approved programme for 2018/19 include the use of the 2018/19 grants for highways transport and schools and any cabinet decisions already made, this above does not include the potential requests for increased funding by borrowing which will be brought forward to cabinet for decisions in future months. If these are then approved they will be added to the approved programme for delivery and monitoring.

Appendix 1: Proposed Additions to 2018/19 included above

1. Highways

The total value of the 2018/19 new start highway maintenance programme is anticipated to be £25.886 million comprising of:

- Department for Transport (DfT) Highways Maintenance Block 'needs' allocation funding. The indicative value in 2018-19 is £18.564 million
- Anticipated DfT Local Highways Maintenance Incentive funding of £3.867 million. This level of funding is dependent on the county council maintaining its Band 3 status. The final allocation is not anticipated until April 2018
- Cabinet approved budget options with a value of £3.455 million to capitalise a number of revenue funded activities that will be funded by borrowing

Details of the proposed apportionment of these resources is outlined in tables 1- 5 below.

Proposed apportionment of the Department for Transport (DfT) Highways Maintenance Block 'Needs' Allocation

Table 1 below sets out the proposed apportionment of the Department for Transport (DfT) Highways Maintenance Block 'Needs' allocation. The first priority has been to ensure that the level of funding for each asset type is aligned with the level of funding outlined in the approved Transport Asset Management Plan (TAMP). As the indicative DfT Highway Maintenance Block Needs allocation will not be sufficient to maintain this level of funding for each asset type it is proposed that the shortfall of £1.6 million is the first call on the anticipated Incentive funding as detailed in Table 2.

Table 1

Programme	Proposed Allocation (£m)
	Department for Transport Highways Maintenance Block 'needs' funding (£m)
TAMP Priorities	
ABC	8.000
Rural Unclassified	0.800
Urban Unclassified	1.000
Footways	2.600
Street Lighting	1.000
Bridges	3.000
Drainage	1.000
Structural Defects	1.000
Traffic Signals	0.100
Geotech\Surveys	0.064
Total	18.564

Proposed apportionment of the anticipated Local Highways Maintenance Incentive funding

The Asset Management Team is confident that service improvements will ensure that the county council maintains Band 3 status in 2018/19. If so, this will realise an indicative allocation of £3.867 million. Confirmation is expected in spring 2018. Apportionment proposals have been developed for receipt of Band 2 and Band 3 status and are described in Table 2 below.

Table 2

Project Name	Project Description	Incentive Fund - Band 3 Proposed programme (£m)	Incentive Fund - Band 2 Proposed programme (£m)	Justification
TAMP Priorities	Rural Unclassified - £0.200m Footways -£0.400m Structural Defects - £1.000m	1.600	1.600	As the indicative DfT Highway Maintenance Block Needs allocation will not be sufficient to maintain the level of funding recommended by TAMP for each asset type, it is proposed that the shortfall is the first call on the anticipated Incentive funding.
Moss Roads	Tackling the deterioration using the most appropriate treatments	0.200	0	Due to funding pressures, this asset classification has not been awarded funding since 2013/14 and the condition of this part of the network has further deteriorated. A strategy for Moss Roads is under development including a prioritised hierarchy of need which will determine the proposed 2018/19 programme
Risk based condition assessments	Bridge assessments (Risk Based approach) Lighting Columns (Risk Based approach) Restraint Barriers	0.974	0.064	<p>The new Code of Practice relating to Well Managed Highway Infrastructure (Oct 16) encourages highway authorities to adopt risk based condition assessments. This approach has been embedded into recently approved Lifecycle Plans. The recently adopted Structures and Street Lighting Lifecycle Plans indicate two areas where high risks have been identified but are currently not funded, namely bridge and lighting column assessments. The DfT has also confirmed that from January 2019 the Self-Assessment will be heavily weighted towards evidence for a risk based approach.</p> <p>In addition it has been identified that the county council has not been undertaking any checks on Vehicle Restraint Barriers, which are recommended to be checked every two years.</p>

Project Name	Project Description	Incentive Fund - Band 3 Proposed programme (£m)	Incentive Fund - Band 2 Proposed programme (£m)	Justification
Advanced Design	To enable pipeline design work to be developed	0.100	0.050	This will allow the development of pipeline projects enabling the county council to take advantage of external funding opportunities.
Emerging Priorities	Salter Fell Road, Ribble Valley - repair embankment and surfacing	0.250	0.250	A number of emerging priority repairs have been identified for funding in 2018/19. Without repair in 2018/19, further deterioration is anticipated which is likely to cause greater network disruption and increase repair costs in the long term.
	Burnley Road, Altham, Hyndburn - to address embankment and land slip issues.	0.100	0.100	
	King St Culvert, Ribble Valley - a contribution to an approved drainage scheme to enable identified repairs to be progressed	0.050	0.050	
Supporting Winter Service	Purchase and installation of a weighbridge at Singleton Depot to manage salt and grit stock levels to support the winter service	0.055	0.055	Managing the salt stock is a key component in delivering an effective and resilient winter service for the highway users of Lancashire, and this can only be done effectively with the use of a weighbridge. The new code of practice for highway maintenance, "Well Managed Highway Infrastructure," recommends that all highway authorities hold an accurate record of how much salt and grit is used on each gritting run, as well as

Project Name	Project Description	Incentive Fund - Band 3 Proposed programme (£m)	Incentive Fund - Band 2 Proposed programme (£m)	Justification
				allowing improved stock control allowing restocking to be processed in a timely manner.
Derby Street Bridge, Ormskirk	Strengthening work to the bridge, design work will be under taken in 2018-19	0.288	0.288	<p>Derby Street Bridge has been identified as an 'at risk' structure and is currently subject to an 18 tonne weight restriction that will expire in 2020-21. Failure to address the issues within this timeframe will lead to a lower weight restriction being applied that would affect access for HGV's, buses and emergency service vehicles, causing major transport issues in Ormskirk Town Centre. In order to ensure repairs are completed within the time frame (including gaining Network Rail permissions) design works need to be started in 2018-19.</p> <p>Although this is primarily a bridge maintenance project, it is also vital to the wider transport network in Ormskirk town centre, pending the outcomes of the proposed Town Centre movement strategy. It is therefore proposed to fund the project on a 50:50 basis between the Highways and Transport Capital Programmes. The total estimated cost is £2.684 million, resulting in a contribution of £1.342 million from each block.</p> <p>It is proposed that the highway maintenance contribution is funded from the 2018/19 and 19/20 anticipated Incentive Fund allocations to support the initial planning, design and development stages of the project. The integrated transport allocation would be a first call on the 2020/21 Integrated Transport allocation. Table 3 sets out the funding proposal and spend profile.</p>

Project Name	Project Description	Incentive Fund - Band 3 Proposed programme (£m)	Incentive Fund - Band 2 Proposed programme (£m)	Justification
A601(m)	Contribution to Challenge Fund bid (match funding)	0.250	0.250	A pipeline project is currently being developed with a view to submitting it to the DfT for funding through the Challenge Fund bid process (deadlines and timeframe not yet known). This funding process requires match funding, which cannot be wholly accommodated by the Bridges Programme. It is therefore proposed that the shortfall of £250k is funded from 2018-19 Incentive fund to be phased as follows (2018/19 - £160k, 2019/20 - £25k and 2020/21 - £65,000) and described in Table 3 below.
Total		3.867	2.707	

Table 3 - Derby Street Bridge funding proposal and spend profile

	Total Budget Required (£m)	Spend Profile 2018-19 (£m)	Spend Profile 2019-20 (£m)	Spend Profile 2020-21 (£m)
Proposed Funding				
2018-19 Incentive Fund	0.288	0.126	0.162	
2019-20 Incentive Fund	1.054		0.501	0.553
2020-21 Integrated Transport Fund	1.342			1.342
Derby Street Bridge Total Project Cost	2.684	0.126	0.663	1.895

Cabinet approved budget options

On the 7th December 2017 Cabinet approved a series of budget options. A number of these options included the capitalisation of the following in 2018/19. Please note that the Drainage and Street Lighting savings detailed in the Cabinet report are net of the provision

needed to fund borrowing and therefore the figures given below are the gross values of the capital needed. However, the Traffic Signals saving was not reduced by the effect of borrowing, the minimal impact of £10k will be met within the revenue budget.

Table 4

Programme	Programme Description	Borrowing Requirement (£m)
Drainage	Drainage repairs	1.461
Traffic Signals	Signal refurbishment work	0.150
Street Lighting	Fault repairs	1.844
Total		3.455

2. Transport

The indicative 2018-19 Integrated Transport allocation is £6.054 million. However, the new start 2018-19 capital requirements for transport have a total value of £10.161m and comprise;

- Approved 'first calls' with a value of £4.175 million
- Funding for the continuation of annual programmes of work with a value of £4.270 million
- Additional funding requirements for previously approved projects with a value of £0.136 million
- Proposed new projects to be delivered in 2018-19 and beyond with a value of £1.580 million

Details of these funding requirements are outlined in Tables 6-9 below.

It is proposed that the funding gap of £4.107 million is funded by re-purposing previously approved allocations for projects that cannot be delivered in 2018-19 as detailed in table 5.

Table 5 - Approved first calls on the 2018-19 Integrated Transport Block that have been previously approved by Cabinet.

Project Name	Project Description	Approved Budgets (£m)	Justification
Skelmersdale Rail Link	Additional funding for Skelmersdale Grip 2 refresh and Grip 3A study	0.955	In March 2017, the then Cabinet Member for Highways and Transport approved that the additional funding of £0.955 to complete the GRIP 2 refresh and GRIP 3A was a first call on the 2018-19 Integrated Transport allocation. The unallocated balance remaining after budget has been committed to acquire the Westbank site and the demolition of all buildings on this and the Glenburn High School site is not sufficient to cover the revised value of the study. This represents an LCC contribution of 85%, with 15% funded by Mersey Rail.
Skelmersdale Rail Link	To complete the project including the Grip 2 refresh and Grip 3A study	0.430	In August 2017/18 it was identified that an additional £0.430 million was required to demolish the Glenburn Road sports college as detailed investigations into the demolition methodology revealed that significantly more asbestos removal was needed than first envisaged. It was approved that this be funded from the wider Skelmersdale Rail Link project. This created a shortfall in the project budget. It was approved that this shortfall be the first call on the 2018/19 Department of Transport (DfT) transport allocation.
The Bay Gateway	Provision for final stages of scheme delivery (i.e. Landscaping/ Part One claims)	4.274 2.790 in 2018-19 0.780 in 2019-20 0.352 in 2020-21 0.352 in 2021-22	In October 2016 this project was allocated an additional £9.9 million with approval to increase the budget by a further £5 million should the mitigation of risks not be realised. Current projections are that an additional £4.274 million will be required to complete the project including the funding of landscaping, Part One claims and settling the final accounts with the contractor.
2018/19 Total		4.175	

Table 6 - Proposed continuation of annual programmes of work in 2018-19

Project Name	Project Description	Forecast Budget Required (£m)	Justification
City Deal	Annual Contribution to City Deal	3.000	The £3.000m is made up of the £2.5m annual LCC contribution into the wider City Deal project to support transport projects and an additional £0.500m for Preston Bus Station. During the repairing and refurbishment it has been necessary to undertake a number of additional works that are beyond the original scope and have been identified as being essential through surveys. This work will include; subway infills, replacement on a 'like for like' basis of the ramp bearings, repairs to the flying walkways and ensuring that the approach to fire risk is more robust (in response to the Grenfell Fire on the 14 th June).
2018/19 Road Safety	Design and delivery of projects, identified through analysis of collision data to reduce the occurrence of road accidents.	0.500	As a highway authority the county council has a statutory duty to implement engineering solutions to improve the safety of the highway network
2018/19 Cycle Safety	Design and delivery of projects, identified through analysis of collision data to reduce the occurrence of road accidents involving cyclists.	0.500	This is an annual allocation to specifically reduce cycling casualties and address wider objectives including perception of safety
2018/19 Public Rights Of Way (PROW)	A programme of work addressing issues with our PROW network in urban areas.	0.250	This annual allocation aims to improve the PROW network in urban areas, helping to encourage the use of this network as an alternative to vehicles and promoting healthy choices/encouraging exercise. This allocation supports the aims of the draft Cycling and Walking Strategy.

Project Name	Project Description	Forecast Budget Required (£m)	Justification
2018/19 Bus Stop Compliance	A programme of improvements at bus stops	0.020	The Equality Act places a statutory duty on the county council to improve the accessibility of public transport, in terms of bus stops. This includes raising kerbs to ensure that boarding a bus is on the same level, reducing the risks for visually impaired people and people with reduced motor skills and co-ordination and older road users.
Total		4.270	

Table 7 – Additional funding required for previously approved programmes

Project Name	Project Description	Forecast Budget Required (£m)	Justification
Lancaster Congestion Relief Movement Strategy	Undertake a movement strategy in Lancaster to establish the future development works in the city centre to manage congestion.	0.136	This work was identified as part of the Lancaster Masterplan and an allocation of £0.250m was approved in 2016/17, which has been used in part to fund the Park and Ride Facility at Caton Road. However, the remaining £0.114m is not sufficient to complete the Movement Strategy. This in turn will identify physical works to improve congestion in Lancaster City Centre and the major routes, supporting economic growth in and around Lancaster, for example the Bailrigg Garden Village Development. The additional funding requested will increase the overall allocation to £0.386m.

Table 8 - Proposed new projects to be delivered in 2018-19 and beyond

Project Name	Project Description	Forecast Budget Required) (£m)	Justification
Smart enabled bus ticket machines	Replace approximately 60 bus ticket machines with new smart enabled bus ticket machines.	0.270	From June 2018, the bus ticket machines supplied by LCC to a number of operators will no longer be ITSO certified. Replacement machines will be required to enable English National Concessionary Travel Passes to be used on bus services and accurate reimbursement given. Without this upgrade to the machines there is a risk of inaccurate concessionary travel payments and increased fraud, as well as being unable to engage in Transport for North Smart and Integrated Travel programme.
Quality Bus Route - Shelter repair/replacement	A programme of repair and replacement for the 700+ bus shelters on the Quality Bus Routes over 5 years, ensuring all works are Equality Act Compliant. Allowing for £5k per bus shelter – a total of £3,500,000	1.000	The bus shelters that were introduced on the Quality Bus Routes are starting to reach their given life span and a programme of repair and replacement is needed to ensure they continue to be safe for users. The capital investment required will be over 5 years, but will have to be front loaded in order to ensure the worst shelters are addressed early.
Chorley/Nelson Interchanges - amendments to operating procedures	Provide bus stands outside the main building	0.100	This capital infrastructure provision will allow the main building to open just for the core hours and have other provision (bus stands) to be used at either end of the day, therefore reducing the running costs of the facility.
Bus Station Information Displays	Introduce up to date bus station displays that can interact with smart phones.	0.060	The will allow instantaneous access to information to inform travel choices and will provide a uniform service across the county.

Project Name	Project Description	Forecast Budget Required) (£m)	Justification
M6 Junction 31a Eastern Roundabout Improvement	Preliminary investigation and design to look at the congestion in this location – work may include widening of the slip road onto the M6 from the north east roundabout.	0.050	This location is a particular 'pinch point' for congestion for accessing the M6 motorway and traffic flow into Preston. It has been highlighted as a priority consideration as a result of a recent prioritisation of transport issues.
Pipeline Projects development allocation	Provide an allocation to develop potential schemes in readiness for funding bids	0.100	This allocation will allow the county council to develop pipeline projects In order to take advantage of future Central Government funding opportunities.
Total		1.580	

Table 9 – previously approved projects that could be re-purposed

Project Name	Total value of the remaining budget (£m)	Proposed value to be re-purposed (£m)	Justification	Anticipated first call on future Integrated Transport Blocks
North Valley Road	1.700	1.286	The original scope of this scheme has been revised and this has reduced the budget required from £1.7 million to £1 million, of which £580k will be funded by the NPIF direct grant award of £4.655 million. Therefore a reduced allocation of £0.414 million is required from the previously approved allocation leaving £1.286million available to repurpose.	N/A
Ormskirk Congestion Relief	0.990	0.840	The original allocation was approved to undertake physical improvement to relieve congestion in Ormskirk town centre. However, until the Ormskirk Movement Strategy has been	2021/22

Project Name	Total value of the remaining budget (£m)	Proposed value to be re-purposed (£m)	Justification	Anticipated first call on future Integrated Transport Blocks
			completed, a programme of works cannot be developed. It is therefore proposed that the approved allocation is reduced to £0.150 million to fund the development of an Ormskirk Movement Strategy leaving £0.840 million available for re-purposing. It is proposed that physical works are considered for funding in future years.	
Skelmersdale Public Realm and Highway Improvements	0.300	0.300	This work cannot be programmed until the works relating to the Skelmersdale Rail Link have been completed. The impact of this is that any improvements cannot be programmed until 2023/24.	2023/24
Green Lane Link Tarleton	1.090	1.090	This scheme has been in the programme since 2012/13. Although not viewed as a transport priority from an officer perspective, there has been some political pressure to deliver this scheme. However, the latest estimated cost is approximately £5 million which is far in excess of the approved allocation. It is proposed that this funding is re-purposed and considered for future funding, subject to political approval.	2022/23
Tarleton Bridge	0.500	0.500	Surfacing improvements have been delivered to reduce accidents occurring at this location. The Highways team is satisfied that the immediate issues around collision incidents have been resolved by works to date. The long term issue concerning the capacity and resilience of this route as a major radial route serving Preston to the north and other towns and service centres to the south and west, still need addressing. Any likely solution will require significantly more funding in the future. It is therefore proposed to re-purpose this allocation and monitor.	2022/23

Project Name	Total value of the remaining budget (£m)	Proposed value to be re-purposed (£m)	Justification	Anticipated first call on future Integrated Transport Blocks
Hala Road Junction	0.700	0.600	The approved allocation was intended to design and deliver junction improvements. However, the design of the junction will be affected by the proposed Bailrigg Garden Village development and this has delayed the design and delivery. It is proposed that the allocation be reduced to £100k to facilitate design and the allocation reduced by £0.600m as delivery is unlikely for a number of years.	2020/21
Ribble Valley Growth Corridor	0.970	0.970	Whilst the Ribble Valley Growth Corridor study has been completed and potential schemes identified, to date the study has not been reported to Members. A major improvement to the A678/A6068 Shuttleworth Mead junction will be delivered through the LEP's Growth Deal 3 programme, but will not require a financial contribution from the county council towards the works cost. The Ribble Valley Growth Corridor now lies within a much wider strategic east-west corridor study being undertaken by Transport for the North and is due to be completed in mid-2018. It would therefore be prudent to await the outcome of this work before committing scarce resources to improvements that may only deliver a short term benefit.	To be determined
Total	6.250	5.586		

The above table highlights that £5.586m is available for re-purposing from a delivery perspective. It is proposed that £4.107m be used to offset the additional funding required, over and above the Integrated Transport allocation. This would leave a transport contingency of £1.479m which would seem prudent considering the value of the transport programme and the fact that estimates are based on a desktop exercise.

There are also external funding opportunities for which bids are already in place. These are not built into the above tables and will be added to the programme as funding decisions are made.

3. Schools

The 2018/19 Basic needs and conditions programme will be delivered in line with the approved Schools capital Strategy, new Basic needs programmes of £4.3m have been added above and as the programme is further developed by asset management this will be included in the monitoring.

The DFC grant is now passported to schools and £2.527m is expected to be received in 2018/19 and therefore will be spent in year.

Police and Crime Panel

Meeting to be held on 22 January 2018

Police and Crime Commissioner's Budget 2018/19
(Appendix A refers)

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EXECUTIVE SUMMARY

This report sets out the latest financial position for the Police and Crime budgets in Lancashire for 2018/19 and the proposals in relation to the council tax precept.

RECOMMENDATION

The Police and Crime Panel is asked to;

- Note the details of the 2018/19 provisional police finance settlement and the overall impact on Lancashire's budget;
- Note the report on the public consultation undertaken in respect of the proposed precept level;
- Consider the Commissioner's proposal to increase the council tax precept for a Band 'D' property by £12 in 2018/19;
- Make arrangements to ensure that a formal written response to the proposals is sent to the Commissioner by 8 February 2018.
- Note the capital investment programme;
- Note the proposed use of the Commissioner's reserves in 2018/19 and future years

1. Introduction

- 1.1 The Police and Crime Commissioner has a statutory requirement to set an annual Police and Crime budget and, as part of that process, to consult with the Police and Crime Panel regarding any proposals in relation to the council tax precept. This report sets out the latest financial position for the Police and Crime budgets in Lancashire for 2018/19 and the proposals in relation to the precept.
- 1.2 Included in the report is the current financial position that reflects the changes in the level of resources, additional cost pressures, reductions in the cost base and the identification of additional savings agreed by the Commissioner since setting the budget for 2017/18. The report sets out;
- The Medium Term Financial Strategy (MTFS) that covers the 4 year period from 2018/19 – 2021/22
 - The revenue budget for 2018/19
 - The council tax proposal for 2018/19
 - The current capital investment programme, and
 - The Commissioner's reserves strategy
- 1.3 In addition the report sets out the advice of the Commissioner's Chief Finance Officer on the robustness of the budget and the adequacy of the level of reserves as required by section 25 of the Local Government Act 2003.

2. Funding Position

- 2.1 The Police and Crime Commissioner's Medium Term Financial Strategy (MTFS) for the period 2018/19 to 2021/22 is framed in the context of the provisional financial settlement for Lancashire published on 19th December 2017.
- 2.2 The provisional settlement announced an unchanged core grant for policing in Lancashire at £190.024m, however it should be noted that in the period 2010/11 to 2018/19 core government funding for Lancashire has fallen by £52.6m (23%) in total.
- 2.3 The government also announced that Police and Crime Commissioners could increase the council tax precept by £12 for a band D property. This will meet the costs incurred by the service due to the pay award provided by the Home Office for Police Officers and a potential similar increase for staff and the cost pressure arising from the impact of inflation on non-staff costs in 2018/19.
- 2.4 It should be noted that the funding position reported is provisional and could be subject to change in the final settlement that will be announced in early February.

3. Budget Process

Medium Term Financial Strategy

- 3.1 Over recent years the Commissioner, in consultation with the Chief Constable, has continued to develop the Medium Term Financial Strategy (MTFS). The MTFS is based on information provided from central government regarding future funding, together with assumptions on cost pressures including inflation and demand for services. From this, the level of savings required to deliver a balanced budget has

been identified and the Commissioner and the Chief Constable are working together to develop options to drive out further efficiencies and deliver more savings in future years.

- 3.2 Within his provisional settlement statement the Minister indicated that the grant level provided in 2018/19 would be repeated in 2019/20. He also indicated that the ability to increase council tax precept by £12 for a band D property would be available to Police and Crime Commissioners in 2019/20.
- 3.3 The Commissioner and the Chief Constable have considered the Minister's stated intention to 'protect' the grant for each Commissioner in the 2019/20 settlement and have agreed to the assumption for the MTFS that government funding will continue at its current level in 2019/20 and then will reduce by 0.9% each year thereafter (in line with the prevailing trajectory for grant funding)
- 3.4 In the 2017/18 budget report approved by the Commissioner on 10 February 2017 it was identified that further savings of £13.4m up to 2019/20 were required.
- 3.5 The Commissioner and Chief Constable have continued to review the MTFS to 2021/22 and have identified a revised funding gap of £23.4m detailed later in this report.
- 3.6 The Commissioner has approved additional savings of £6.0m in delivering the revised funding gap shown in paragraph 4 which means that the Commissioner and the Constabulary have to date identified a total amount of savings of £84.4m from 2011/12 to 2021/22. To meet the outstanding funding gap a further £23.4m of savings need to be delivered. This means that by 2021/22 total savings of £108m will have been delivered since 2011/12 which is the equivalent of 37% of the 2011/12 original revenue budget.
- 3.7 As is always the case, the additional level of forecast savings required in future years is dependent upon future funding announcements and financial settlements. Therefore the figures quoted above are likely to change.

Developing Savings Options

- 3.8 In developing options the Commissioner and the Chief Constable look to protect front line services and drive out efficiencies wherever possible whilst maintaining service delivery. This approach together with the overall approach to managing the financial position was recently recognised as good practice by Her Majesty's Inspectorate of Constabulary (HMIC) from which Lancashire Constabulary was again rated as 'good' in the Police Effectiveness Efficiency and Legitimacy "Peel efficiency' inspection.

4. Forecast Position

The current forecast for the MTFs to 2021/22 identifies a funding gap of £23.4m as set out below:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Resources:					
Government Funding	190.024	190.024	188.314	186.619	
Specific grants	4.122	4.122	4.122	4.122	
Council tax	71.376	72.445	73.532	74.635	
Total Resources	265.522	266.591	265.968	265.376	
Base budget requirement brought forward	265.769	265.522	266.591	265.968	
Investment in frontline policing	4.495	-0.459	-0.284	0	3.752
Demand/Volume	1.287	1.311	0.750	0.420	3.768
Pay Award	4.132	4.261	4.237	4.197	16.827
Inflation	1.145	1.137	1.171	1.206	4.659
Budget Requirement	276.828	271.772	272.465	271.791	
Funding gap	11.306	5.181	6.497	6.415	29.399
Savings identified	-4.821	-1.025	-0.179	0	-6.025
Funding gap	6.485	4.156	6.318	6.415	23.374

Government Funding

- 4.1 The provisional police grant for 2018/19 was announced on 19 December 2017. Lancashire has been allocated £190.024m which is the same as in 2017/18. The Minister also indicated that this level of grant funding would be repeated in 2019/20 but this was not confirmed in the settlement itself and no indication of grant levels in years beyond 2019/20 was provided.
- 4.2 The assumption in the MTFs is that the government grant in 2019/20 will remain the same as in 2018/19 and then will reduce by 0.9% each year thereafter. This is in line with the previous assumptions made for government grants.
- 4.3 It was also announced that Police and Crime Commissioners could increase the council tax precept for a band D property up to a maximum of £12 in 2018/19. The Minister also indicated that this limit would be applied in 2019/20 but this has not been formally confirmed. The forecast in the table above assumes no increase in the council tax charge.
- 4.4 Specific grants in respect of the delivery of counter terrorism activity have not yet been confirmed. It is assumed that any change in the level of these grants will be matched by a change in expenditure and therefore have no impact of the funding gap position.
- 4.5 The Home Office has previously undertaken a review of the funding formula used to allocate funding to individual PCCs with the stated intention to implement its outcome in 2018/19. This has not taken place and the latest information from the Home Office

has indicated that this will not be revisited until the next Spending Review period, the date of which is not yet known.

- 4.6 At this stage, due to the uncertainty of whether this change will be implemented, there is no impact for this shown in the MTFS forecast. It should be noted however that when the previous review indicated a potential cut to funding of between £8.5m and £25m for Lancashire.

Council Tax

- 4.7 The forecast in the MTFS assumes an increase in the council tax base (i.e. the number of households that pay council tax) of 1.5% in each year to reflect the latest trend information provided by District Councils. The forecast **does not include an increase to the council tax precept** in any year at this stage.
- 4.8 The collection fund surplus/deficit position in respect of council tax for 2017/18 and the final taxbase position for 2018/19 will be confirmed by the Unitary and District Councils on 31 January 2018. The final amount of council tax to be received will therefore be confirmed in the budget report to the Commissioner in February 2018.

Investment

- 4.9 The MTFS shown in 4. above includes investment in key areas of policing activity as follows:

	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Implementation and support of Crime and Intelligence system for safeguarding vulnerable victims	1.398	-0.543	-0.204	-	0.651
Contact management	1.471	0.084	-	-	1.555
Digital Media Investigations Unit	1.126	-	-0.080	-	1.046
Emerging issues	0.500	-	-	-	0.500
Total	4.495	-0.459	-0.284	-	3.752

- 4.9.1 **Crime and Intelligence** - A new system has been introduced to replace the current ageing in house systems which do not meet fully statutory management information requirement relating to Police Information . The system will meet these requirements and provide significantly better protection for potential victims of high impact crime.
- 4.9.2 **Contact Management** – As the demand placed upon the constabulary's contact management team continues to increase at a significant rate it has been recognised that a redesign of the way the service is delivered is required. The redesigned service will increase efficiency and productivity but the level of the public's demand for the service requires additional resource to be provided in the team.
- 4.9.3 **Digital Media Investigations Unit** – The level of crime involving digital and media platforms is increasing in both the number of platforms being used and the complexity of analysing the digital media. Additional investment in this service is vital to enable Lancashire to continue to deliver an effective response to this type of crime.
- 4.9.4 **Emerging issues** – A number of issues have been identified that require investment in staff required to support: collaboration opportunities, workforce representation, liaison with CPS to review working practices to expedite rape and serious sexual offences cases.

Demand/Volume

4.10 The demand and volume pressures are:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Revenue consequences of the capital programme	0.987	1.011	0.750	0.420	3.168
Insurance provision	0.300	0.300	0	0	0.600
Total	1.287	1.311	0.750	0.420	3.768

4.10.1 Revenue consequences of the capital programme

This represents the impact of the changes to the Capital Programme agreed in the 2017/18 budget report upon the revenue budget and reflects changes to the costs of financing the programme in particular the forecast level of borrowing in respect of major accommodation schemes.

4.10.2 Insurance provision

A recent assessment of the combined liability policies has indicated that the value of historic claims combined with estimates of current claims significantly outstrips the value of provision made to meet these liabilities. Therefore it is necessary to increase the amount of resources available to meet these liabilities over the next two years.

Savings

4.11 A key element of the Commissioner's financial management strategy is the ongoing review of the organisation's activity and the identification of additional savings that can be made. This work is undertaken in conjunction with the Constabulary's 'Futures Team' and has identified further savings that will be delivered in 2018/19 and future years as follows:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Remove contribution to reserves	-1.074	-	-	-	-1.074
Reduced charge for NPAS	-0.190	-	-	-	-0.190
Reduction in non-pay budgets	-1.217	-	-	-	-1.217
Review of Front Counters	-0.926	-	-	-	-0.926
Learning and Development Forensics	-	-0.300	-	-	-0.300
Organisational reviews	-1.414	-0.725	-0.179	-	-2.318
Total	-4.821	-1.215	-0.179	-	-6.025

RISKS AND UNCERTAINTIES

4.12 There are however a number of risks and uncertainties that will impact on the final position that are not reflected in the forecast position shown in this report;

4.12.1 Finalisation of the Settlement

The final settlement is anticipated to be announced in early February 2018 and therefore the current information is based on the provisional figures that were announced on 19 December 2017.

4.12.2 Specific Grant allocations

Final allocations for specific grants such as the Counter Terrorism Grant have not been made and are expected later in the financial year. Should there be any

changes in grant provided for these services this will be offset by corresponding changes in expenditure requirements.

4.12.3 Future levels of top-slicing

The Commissioner's MTFs includes the impact of previously announced top-slices to the national funding level for police services. No announcements have been made, however, on the level of top-slicing that will take place beyond 2018/19 therefore the estimated impact currently reflected in the forecast could be subject to change when future announcements are made.

4.12.4 Partner Funding for PCSOs

The Commissioner is committed to ring-fencing police budgets that currently fund PCSOs however the overall funding available will be dependent upon the continuation of partner funding. Some funding for PCSOs is received from partners across Lancashire and is match funded by the Commissioner. Several partners have already removed or reduced their funding for PCSOs in 2017/18 and a number have yet to confirm their commitments for 2018/19, therefore the final PCSO budget available will not be known until all partners have set their budgets.

4.12.5 Emergency Services Network (ESN) - Replacement of Airwave

The emergency services communications network 'Airwave' is being replaced over the next four years. Lancashire Constabulary was initially amongst the first forces scheduled to transfer to the new network in 2017/18 and as a result will incur considerable capital expenditure in respect of equipment and infrastructure. The timetable for the programme has already 'slipped' by 18 months and it has been made clear by the Home Office that there will be further delay with no specific implementation date provided. This clearly adds considerable uncertainty to the process. It is also not clear how much the transition to the new system will cost and when these costs will begin to be incurred.

4.12.6 Review of the Police Funding Formula

In 2017/18 the Home Office stated its intent to implement a revised funding formula in 2018/19 which would have a significant impact upon the amount of grant received by the Commissioner for policing in Lancashire.

The previous attempt to deliver a new formula provided a range of potential outcomes for Lancashire from a loss of funding of £8.5m to a loss of funding of £25m. Clearly there is a significant risk that there could be a substantial loss of funding for Lancashire as a result of this process. The Home Office has not implemented the revised formula in the provisional settlement for 2018/19 and has indicated that this will not be revisited until the next Spending Review period the date of which is not yet known.

4.12.7 Impact of cuts to Local Government funding

Local Authorities continue to face significant budget reductions. As services are removed or reduced, particularly in relation to mental health care, adult social care and children safeguarding, the demands faced by policing services increase dramatically. The impact of these changes is extremely difficult to forecast but as information becomes available it will be reflected in future iterations of the MTFs.

4.12.8 Anti-Fracking protests

During the current financial year the constabulary has incurred significant expenditure associated with the policing of anti-fracking protests. The cost of the operation so far is in excess of £5m and whilst a submission has been made to the Home Office for Special Police grant to assist with this cost, as yet there has been no indication from the Home Office as to whether grant will be made available. The

additional cost will fall in the first instance to existing reserves and it is also likely that significant cost will continue in 2018/19 which will place more pressure on the revenue budget.

5. Investing for the future

- 5.1 In order to preserve the operational integrity and ability of the force in future years whilst delivering the savings required to meet the funding gap identified above, the Commissioner must consider a number of proposals that will change how the service operates.
- 5.2 It is recognised that, in order to deliver savings proposals to meet the funding gap faced by the Commissioner in future years, the way the police service is delivered will need to change significantly. It is also recognised that improving the efficiency in which assets are used such as buildings, infrastructure and IT networks and equipment, is crucial if the level of service being provided is to be maintained whilst the way it is delivered changes.
- 5.3 In order to improve the efficiency of the service it has been identified that significant investment is therefore needed in these assets which is recognised in both the ICT and the Asset Management strategies.
- 5.4 These strategies identify a number of projects that will ensure that, as far as is possible, frontline policing is protected and made as efficient as possible in future years. The one-off investment in these projects is provided through the Commissioner's Capital Investment Programme. This investment will help to deliver the permanent savings in the revenue budget that are required in future years to ensure that the Commissioner can provide policing services in Lancashire within the resources he has available.
- 5.5 The Commissioner, as part of his long term financial strategy, considers the investment needed to deliver the capital investment programme and has in recent years set aside specific reserves to provide the funding necessary to deliver these key investments. The following section of this report sets out the proposed investment programme and the funding that has been identified to deliver it.

Capital Investment Programme

- 5.6 A draft capital programme is currently being developed and will be approved by the Commissioner in his budget report in February 2018. The Commissioner will also identify the funding for the capital programme as part of the decision and will consider the optimum use of the resources available to him in doing so. This will include using some of the strategic reserves that have been set aside under the Commissioner's Medium Term Financial Strategy in recent years.
- 5.7 The current capital programme (approved with the revenue budget for 2017/18) is set out below:

	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
IT Strategy	10.889	5.550	5.400	5.050	26.889
Accommodation Strategy	4.733	0.500	0.500	0.500	6.233
Vehicle Replacement Programme	2.600	2.800	2.800	1.800	10.000
Other Schemes	0.200	0.200	0.200	0.200	0.800
Total	18.422	9.050	8.900	7.550	43.922

The key elements of the IT strategy are:

- Replacement of Desktop and mobile equipment (£2m)
- New and replacement key IT systems (£11m)
- New and replacement IT infrastructure including networks and security (£14m)

The main element of the accommodation strategy is the construction of the new divisional headquarters in West Division which is expected to complete in 2018/19.

Paragraph 4.12.5 sets out the risk associated with the implementation of the Emergency Services Network (ESN) to replace the existing network used for communications by the Emergency Services.

At this stage in the process it is unclear what the cost will be for Lancashire so no provision is made within the programme shown above however it is recognised that there is likely to be a significant financial burden for Lancashire once implementation begins.

5.8 The draft investment programme is forecast to be funded as follows:

	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Capital Grant/Contributions	1.097	1.097	1.097	1.097	4.388
Capital Receipts	0.150	-	-	-	0.150
Contribution from the Revenue budget	2.519	2.519	2.519	2.519	10.076
Transition Reserves	9.978	4.989	4.839	3.489	23.295
Borrowing	4.678	0.445	0.445	0.445	6.013
Total	18.422	9.050	8.900	7.550	43.922

5.9 Capital grant allocations for 2018/19 have been provisionally confirmed in the provisional settlement announced on the 19th December 2017.

5.10 It is clear that a significant amount of the investment being made in future years will be from the Commissioner's reserves reflecting the Commissioner's reserves strategy. The reserves strategy is reviewed each year and will inform the final budget report that will be signed off in February 2018.

Reserves

5.11 The Commissioner holds two types of reserve, general reserves and earmarked reserves.

5.12 General reserves are available to support the revenue budget and provide security should the organisation face an unexpected issue that realises a call on its resources. The forecast level of these general reserves for 1 April 2018 is £11.984m or 4.8% of the 2018/19 revenue budget.

5.13 General reserves at this level are considered appropriate by the Commissioner's Section 151 Officer to ensure the ability of the organisation can remain a going concern should an unexpected issue occur. It is relevant at this point to highlight the impact of the costs associated with anti-fracking protests and refer back to paragraph 4.12.8, this type of event and associated significant cost underpins the necessity to retain reserves at an adequate level.

- 5.14 There are also a number of earmarked reserves for specific purposes that are forecast to total £20.243m at the beginning of 2018/19 and are detailed in the table below:

Earmarked Reserves	2018/19 £m	
PoCA reserves	0.815	Receipts from the proceeds of crime earmarked for specific grant allocations
Operational Policing reserves	3.697	Held to meet specific operational requirements including costs from major incidents not funded from main police grant
Road Safety Reserve	1.626	Held on behalf of the Lancashire Road Safety Partnership
Reserves to Support Organisational Transformation	14.105	Available to meet costs of transforming the organisation including investment in the Capital programme
Total	20.243	

- 5.15 The reserves set aside to support the **organisational transformation** of the constabulary are forecast to total **£14.105m** at the start of 2018/19. These reserves are set aside to contribute to the funding of the capital programme.
- 5.16 Paragraph 5.8 identifies the forecast funding for the capital programme and clearly shows that the reserves set aside for transformational change will have been fully utilised in 2019/20.
- 5.17 The Commissioner reviews his reserves strategy each year and the use of reserves to fund the capital programme will be considered as part of that review.
- 5.18 It is clear, however, that if the reserves are used as set out in paragraph 5.8 they are fully committed in support of the capital investment programme and are therefore not available to support the revenue budget during that period.

6. Setting the 2018/19 Budget

- 6.1 The 2018/19 budget requirement is set out in the table below and is based on information set out in the Medium Term Financial Strategy (MTFS) position shown earlier in the report:

	£m
2017/18 Budget	265.769
Investment	4.495
Demand/Volume	1.287
Pay Award	4.132
Inflation	1.145
2018/19 Budget Requirement	276.828
Less Funding Available	265.522
2018/19 Funding Gap	11.306
Savings	4.821

Therefore, once all of the above proposals are taken into account there remains a **funding gap of £6.485m for the 2018/19 revenue budget.**

7. Council Tax

- 7.1 As part of the budget setting process the Commissioner is required to consider whether or not to propose any changes to council tax. It has been announced by the Minister for Policing and Fire that Police and Crime Commissioners can increase the Council Tax charge for a band D property by up to £12 without the need for a local referendum.
- 7.2 The minister has stated publically that he expects the 2% pay award set by the Home Office for Police Officers and a similar potential increase for Police staff pay to be met from the additional council tax this increase will raise. The Minister also recognised that general inflation is at its highest for a number of years, he also stated that the extra income raised through a £12 increase to council tax will help to meet the pressure of general inflation.
- 7.3 It is clear that the government recognises that policing needs additional funding in 2018/19. It is also clear that the government expects this to be provided through the local council tax precept. The Commissioner has made it clear that protecting local policing in Lancashire is his main priority. He therefore proposes to increase Council Tax in 2018/19 by £12, giving a council tax charge of £177.45 for a Band D property, providing additional income of £5.177m. This income will enable some protection to policing services in Lancashire at a time when both costs and demand pressures are rising at a significant rate.
- 7.4 The impact this proposed increase in council tax in 2018/19 will have for the MTFs is shown below:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Current Forecast gap before Council Tax increase	6.485	4.156	6.318	6.415	23.374
Impact of £12 (at Band D) Council Tax increase	-5.177	-	-	-	-5.177
Revised Funding Gap	1.308	4.156	6.318	6.415	18.197

The Commissioner will examine the budget proposals above and identify, in conjunction with the Chief Constable, further savings to meet the remaining funding gap of £1.308m identified above for 2018/19. These will be confirmed as part of the decision to approve the final 2018/19 revenue budget in February 2018.

The Constabulary's 'Futures team' are working with the Constabulary's Director of Resources and the Commissioner's Chief Finance Officer to identify further proposals to meet the savings gap in future years. These will be considered by the Commissioner over the next 12 months as part of the ongoing financial planning process.

Engaging the Public on the Council Tax precept

- 7.1 The Commissioner is undertaking an in-depth survey with the people of Lancashire to ensure their needs are taken into consideration when setting the council tax precept. Early indications of the 1800 completed surveys so far show that almost 80% of residents support paying at least an additional 23p per week (£12 a year for a Band D property) in their council tax precept with just over 20% favouring keeping the reduction to 6p per week. Further details of the consultation and market research will be made available as an appendix to the report at the meeting. The consultation is on-going but will end before the Police and Crime Panel meeting on 22nd January 2018.

8. Equality and Diversity

- 8.1 The Commissioner and the Constabulary have set up a Futures Programme to deliver the required savings through a series of reviews of the organisation's processes and operational arrangements. As each review area is progressed an equality impact assessment is carried out to assess the impact of the proposed recommendations on service recipients and is an integral part of the process.

9. Robustness of the Budget and the Adequacy of Reserves

- 9.1 Section 25 of the Local Government Act 2003 requires the Commissioner's Chief Finance Officer to advise the Commissioner as he is making budgetary decisions on the robustness of the assumptions underlying the budget and the adequacy of the Commissioner's reserves in the context of the financial risks to which the organisation is exposed.
- 9.2 The basis of the estimates on which the budget has been prepared, as in previous years, relies on forecasts of demand and other activity prepared by the constabulary. The forecast is kept under review as part of the budget monitoring process and actions identified to identify any financial risks arising from changes in the forecast as they occur. The main risks relate to the pace and scale of increases in cost and demand placed on the service and the ability of the organisation to meet these within the required timeframes.
- 9.3 The resources available to the Commissioner to manage these risks consist of the various reserves held by the Commissioner, principally general funds and the transitional funds. At this stage it is anticipated that general reserves will be maintained at around 4.8% of the Commissioner's budget requirement reflecting the level of financial risk that the combination of significant ongoing spending reductions and resource uncertainties creates. This should allow the Commissioner to respond to any changes that may occur in a planned way which provides stability to services and certainty to communities.
- 9.4 In addition to general reserves, the Commissioner maintains a range of earmarked reserves for specific purposes shown in 5.14 above. The level and appropriateness of earmarked reserves is kept under review to ensure that sums are only held if required, and released when not. At this stage these reserves are regarded as adequate with plans in place to invest the majority of the earmarked reserves on the capital ICT infrastructure and estates strategies that will support the future of the constabulary as it downsizes and strives to deliver high quality services.

10. Role of the Police and Crime Panel

- 10.1 Schedule 5 of the Police Reform and Social Responsibility Act (2011) states that the Commissioner must notify the Police and Crime Panel, by 1 February 2018, of the precept which the Commissioner is proposing to issue for the financial year.
- 10.2 Under the requirements of the Act, Police and Crime Panels must review the proposed precept notified to it and must make a report to the Commissioner on the proposed precept. The report may include recommendations, including recommendations as to the precept that should be issued for the financial year.
- 10.3 The Police and Crime Panel has the power to veto the proposed precept if at least two-thirds of the panel membership (the full membership rather than those present at the meeting) at the time when the decision is made vote in favour of making that decision. If the panel vetoes the proposed precept, the report made to the Commissioner must include a statement that the panel has vetoed it.
- 10.4 The Police and Crime Panel's response to the Commissioner on the precept proposal must be made by 8 February 2018. A Commissioner is unable to set a precept until the end of the scrutiny process is reached and should the Police and Crime Panel veto the proposals, the Commissioner must submit a revised precept for consideration of the panel by the 15 February 2018 to which the Police and Crime Panel must also respond. A further response from the Police and Crime Panel must be received by 22 February 2018 after which the Commissioner must respond formally to the Police and Crime Panel setting out the precept for the forthcoming year.

11. Conclusion

- 11.1 The Panel are asked to consider this report and the recommendations within it.
- 11.2 The Panel are requested to provide their response to these recommendations in line with the responsibilities set out in paragraph 10 of this report.

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 18 December 2017

REVENUE BUDGET 2018/19-2022/23

Contact for further information: Keith Mattinson - Director of Corporate Services
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Executive Summary

The report sets out the draft revenue budget for 2018/19-2022/23 and the resultant council tax implications.

Budget requirement has been re-assessed taking account of known/anticipated changes, incorporating current year-end forecast projections, and forecast vacancy factors based on anticipated recruitment. The most significant assumption is that the final pay awards for 17/18, 18/19 and 19/20 all remain at 1%.

Funding takes account of the draft 4 year settlement (up to and including 2019/20) and assumes a cash freeze in subsequent years. In terms of council tax we have modelled increasing council tax by 2% each year, but have provided details re the impact of a freeze in 18/19. The model shows a funding gap of £0.5m in 18/19, increasing to £1.1m in 2019/20, the last year of the current 4 year settlement. With significantly higher deficits beyond that.

Based on the assumptions within the budget the deficit identified over the next 2 years could be met from reserves. However looking longer term a combination of savings and utilisation of reserves would be required.

The two key variables within the budget remain current and future pay awards and funding post the current 4 year settlement. Any significant increase in pay award over and above the 1% built into the budget will add in significant financial pressures. A 2% pay award for grey book in 17/18, and a 2% pay award for all staff in 18/19 will increase the 18/19 budget/funding gap by £0.6m. A further 2% pay award for all staff in 19/20 will add in a further £0.4m to this figure (i.e. a total additional budget/funding gap of £1.0m in 2019/20 and each subsequent year). Should the settlement in 2020/21 and beyond be better than the cash freeze budgeted for then the level of deficit will reduce accordingly. As always the longer the forecast the less accurate it will be.

As part of the recent Technical Consultation on the Local Government Finance Settlement the Fire Sector as a whole made representations on the size of current funding cuts as well as on the draft council tax referendum principles. In terms of the latter the Authority, and the sector as a whole, proposed that the same flexibility is provided to the Fire Sector as to District Councils and PCCs in the lower quartile, namely an ability to raise council tax by a maximum of £5. For information raising council tax by £5 would generate an additional £1.6m of precept over and above the 2% limit outlined in the report. Dependent upon the outcome of the current consultation process and the final pay awards agreed this flexibility may be required.

Recommendations

The Authority is requested to: -

1. Give initial consideration to the draft revenue budget as presented;
2. Authorise consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals;
3. Give further consideration to the revenue budget at their next meeting on 19 February 2018, in light of the consultation process.

Information

In line with the Authority's objective to deliver affordable, value for money services the Authority's Budget Strategy remains one of:-

- Maintaining future council tax increases at reasonable levels, reducing if possible;
- Continuing to deliver efficiencies in line with targets;
- Continuing to invest in improvements in service delivery;
- Continuing to invest in improving facilities;
- Setting a robust budget;
- Maintaining an adequate level of reserves.

Draft Budget

In order to determine the future budget requirement, the Authority has used the approved 2017/18 budget as a starting point, and has uplifted this for inflation and other known changes and pressures, to arrive at a draft budgetary requirement, prior to utilising any reserves, as set out below:-

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Preceding Years Draft Net Budget Requirement	53.9	54.5	55.9	57.7	59.8
Add back Previous Years Vacancy Factors	1.2	1.7	0.4	0.6	0.6
Inflation	0.8	0.8	1.3	1.9	2.0
Other Pay Pressures	(0.4)	0.3	0.8	0.3	-
Committed Variations	0.1	0.1	-	-	-
Growth	1.3	(1.0)	0.1	-	-
Efficiency Savings	(0.8)	(0.3)	(0.1)	-	-
Vacancy Factors	(1.7)	(0.4)	(0.6)	(0.6)	(0.5)
Net Budget Requirement	54.5	55.9	57.7	59.8	61.9

Inflation

The following amounts have been added to the budget in respect of inflationary pressures, in line with current estimates:-

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
A 1% allowance has been built in for all pay-awards for 2017/18-2019/20. However it is worth noting that the NJC offered a 2% award in 17/18 and identified a further potential award of 3% in 18/19 subject to further funding being made available. This has subsequently been withdrawn on the back of the current pay discussions, but does give a strong indication that the 1% increase included in the budget may not be sufficient. The 2020/21 budget allows for a 2.5% pay award in 2021/22 and 3.6% in 2022/23. (These are in line with the estimates provided by the Home Office as part of its pension forecasting exercise in July.)	0.4	0.4	0.9	1.5	1.6
Non-pay inflation, average of 2.5% each year	0.4	0.4	0.4	0.4	0.4
	0.8	0.8	1.3	1.9	2.0

Each 1% pay award in excess of the above assumptions equates to an additional cost of £340k per year for grey book personnel, and if this is mirrored for green book personnel an additional £70k. Therefore assuming a 2% pay award for grey book in 17/18, and a 2% pay award for all staff in 18/19 this will increase the 18/19 budget by £0.6m. A further 2% pay award for all staff in 19/20 will add in a further £0.4m to this figure (i.e. a total additional budget of £1.0m in 2019/20 and each subsequent year).

Other Pay Pressure

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Pay has been re-costed based on an updated recruit's profile, taking account of the impact of this on numbers of personnel in development rates of pay, the number of personnel in receipt of Continuing Professional Development payments, and the mix of personnel in the old and new FF pension scheme.	(0.4)	0.3	0.8	0.3	-

The Chancellor of the Exchequer in the 2016 Budget announced that “The Government had reviewed the discount rate used to set employer contribution to unfunded public service pension schemes. The discount rate is being set at 2.8% and the employers will pay higher contributions to the schemes from 2019/20 as a result.” This will add a further £2bn of costs to these schemes. The next tri-annual valuation of the FF Pension Scheme will include the impact of this when it sets the contribution rate payable from 1 April 2019. Whilst no details of the specific impact on any unfunded scheme are available at the present time, an allowance for a 3% increase has been built into the budget in 2019/20.	-	0.7	-	-	-
The saving in respect of the drawdown on the Local Government Pension Scheme surplus will continue in 2018/19 and 2019/20. We have assumed this ceases in 2020/21 when a new actuarial valuation will take effect.	-	-	0.3	-	-
	(0.4)	0.3	0.8	0.3	-

Committed Variations

Committed variations are those items which are unavoidable, or which arise from previously agreed policy decisions.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Increase in rates payable, following the recent revaluation exercise	0.1	-	-	-	-
Reduction in interest receivable based on reducing cash balances	-	0.1	-	-	-
	0.1	0.1	-	-	-

Growth

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Creation of additional posts to meet new demands placed on the Service in areas such as:- <ul style="list-style-type: none"> • Audit and inspection requirements • Implementation of National Operational Guidance and Learning • Increased training demands associated with both Whole-time and RDS recruits courses 	0.6	(0.3)	-	-	-
Costs associated with the roll out of apprentices within the Service	0.2	0.1	-	-	-
Additional budget in respect of the cost of recruits in training, reflecting the timing and number of new Whole-time recruits each year	0.3	(0.6)	0.1	-	-
Additional PPE costs to enable the full swap out of gloves, boots and helmets (which was commenced in the current financial year but with the balance to be completed in 18/19)	0.2	(0.2)			
	1.3	(1.0)	0.1	-	-

Efficiency Savings

The Authority has a good track record of delivering efficiency savings. Between April 2011 and March 2018 we will have delivered £18m of savings. With further savings identified below:-

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Removal of temporary posts created in previous years	(0.1)	-	(0.1)-	-	-
Reduction in Interest Payable as a result of paying off a proportion of debt	(0.2)	-	-	-	-
Reduction in operational equipment replacement budget reflecting asset management plans	(0.1)	-	-	-	-
Savings identified from reviewing various non-pay budgets	(0.4)	-	-	-	-
Rental Income re Site Sharing of Preston Fire Station	-	(0.1)	-	-	-

Savings relating to transfer from Airwave to ESMCP	-	(0.2)	-	-	-
	(0.8)	(0.3)	(0.1)	-	-

In-year Vacancy Factors

The budget needs to take account of forecast vacancy factors arising from retirement and recruitment profiles:-

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
The vacancy factor for whole-time has been updated. This shows an increase in the vacancy forecast for 2018/19, reflecting the shortfall in recruit numbers in the current year. But with a higher over-provision in 2019/20 and beyond, based on the current profile of recruits.	(0.6)	0.7	0.5	0.6	0.7
RDS vacancy factors has been left at 20% reflecting the current level of staffing, and assuming this remains constant.	(0.9)	(0.9)	(0.9)	(1.0)	(1.0)
Support staff vacancy factor has been left at 2.5% It is extremely hard to make an accurate prediction relating to this as one or two key posts have a significant impact on this, as evidenced by the position within ICT and Service Development in 17/18.	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
	(1.7)	(0.4)	(0.6)	(0.6)	(0.5)

Net Budget Requirement

As set out above the overall net budget requirement for each year is as follows:-

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Draft Budget Requirement	54.5	55.9	57.7	59.8	61.9
Budget (Decrease)/Increase	1.0%	2.5%	3.2%	3.7%	3.4%

Grant Funding

As a major precepting authority the Authority receives funding in the form of:-

2017/18	
Settlement Funding Assessment (Grant)	
Revenue Support Grant, direct from the Government	£10.7m
Individual Authority Business Rates	£4.1m
Business Rates Top-Up, from the Government	£10.5m
Business Rates collection fund deficit	(£0.2m)
Section 31 Grant - Business Rates Capping	£0.5m
	£25.6m
Council Tax	
Council Tax	£27.8m
Council Tax collection fund surplus	£0.5m
	£28.3m
Total Funding	£53.9m

Future funding is based on the four year settlement figures previously identified, with an assumption that funding is frozen thereafter:-

		Reduction	
2015/16	£29.6m		
2016/17	£27.8m	£1.8m	6.4%
2017/18	£25.5m	£2.3m	8.3%
2018/19	£24.5m	£1.0m	3.8%
2019/20	£24.1m	£0.4m	1.6%
2020/21	£24.1m	-	-
2021/22	£24.1m	-	-
		£5.5m	18.7%

(the above figures include an assumption that both Section 31 Grant - Business Rates Capping and Business Rates collection fund deficit remain at their current levels.)

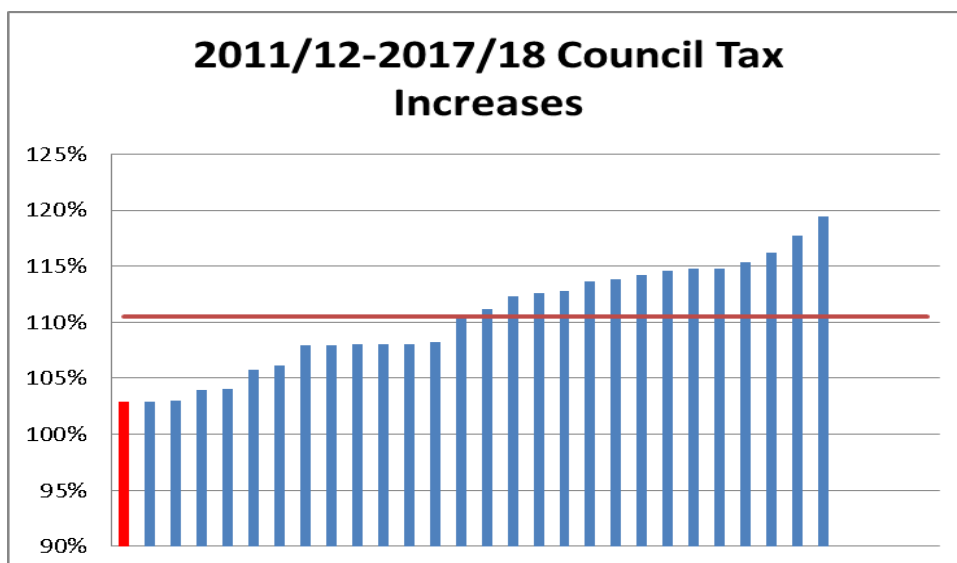
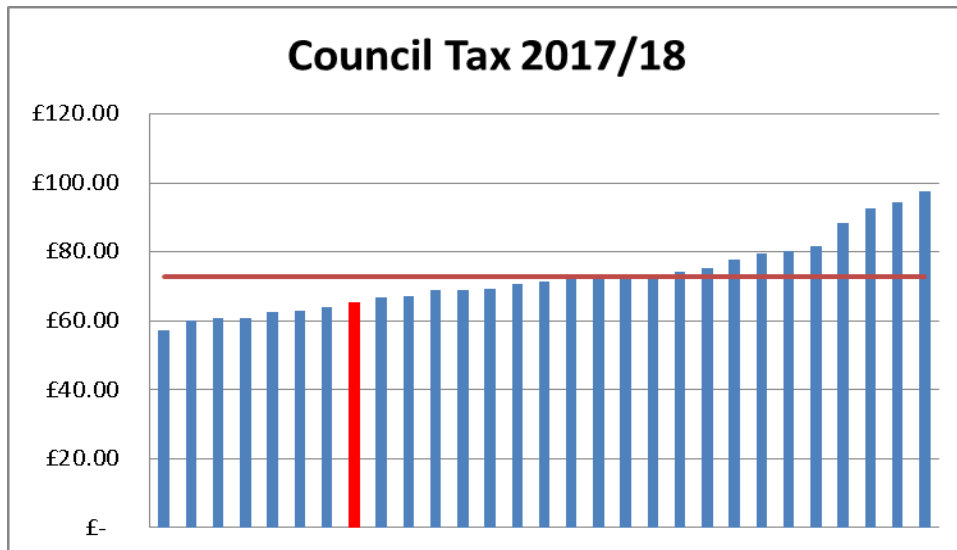
The Government remains committed to Local Authorities retain 100% of business rates by 2020/21, but details are not available as to how this will work and what the impact on the fire sector will be, and hence for the purpose of financial planning we have assumed that this will be cost neutral.

Funding projections will be updated once the Local Government Finance Settlement provides further details which are anticipated in late December, and as Billing Authorities provide more detail re business rates.

Council Tax

In setting the council tax, the Authority aims to balance the public's requirement for our services with the cost of providing this. As such the underlying principle of any increase in council tax is that this must be seen as reasonable within the context of service provision.

The Authority became a precepting authority on 1 April 2004. Since this our council tax increases have been limited by either capping or the current referendum thresholds set by the Government. As such our council tax increases and hence budget increases have been constrained by these and our desire to deliver value for money services, culminating in a council tax freeze between 2011/12-2014/15, a 1.90% increase in 2015/16, 1.0% in 2016/17 and a freeze last year. Our council tax of £65.50 is still below the national average of £72.80 (being the 8th lowest out of 29 Authorities), and our increase of just 2.90% over the last 6 years (2011/12-2017/18) compares with an average increase of 10.50% over the same period and is the joint lowest of any Fire Authority.



The latest consultation document on the 2018/19 Local Government Finance Settlement maintains the council tax referendum principle of any increase being lower than 2%, otherwise a referendum will be triggered.

It is worth noting that as part of the consultation the Fire sector as a whole made representations on the council tax referendum principles, proposing that the same flexibility is provided to the Fire Sector as to District Councils and PCCs in the lower quartile, namely an ability to raise council tax by a maximum of £5. The Home Office have confirmed that Lancashire is in the lower quartile for council tax. Dependent upon

the outcome of the current consultation process and the final pay awards agreed this flexibility may be required in future years.

Council Tax-Base

We have assumed that the council tax base continues to grow at the rate of 1.75% per year, which is in line with historic trends.

In terms of the council tax collection fund we are still awaiting draft figures from billing authorities, and hence we have included an allowance for a £500k surplus each year, which again is broadly in line with the recent years.

Both the tax base and collection fund deficit will be updated once figures are received from billing authorities.

Draft Council Tax Requirements

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Draft Budget Requirement	54.5	55.9	57.7	59.8	61.9
Less Total Grant	(24.6)	(24.3)	(24.3)	(24.3)	(24.3)
Council Tax Collection Surplus	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Equals Precept	29.4	31.1	32.9	35.0	37.1
Estimated Number of Band D equivalent properties	432,464	440,032	447,733	455,568	463,540
Equates to Council Tax Band D Property	£67.93	£70.64	£73.47	£76.86	£79.97
Increase in Council Tax	3.7%	4.0%	4.0%	4.6%	4.0%

(For information, a 1% change to the council tax equates to £0.285m.)

As can be seen the increases are all above the referendum limit. In order to set a budget within the existing draft referendums principles i.e. limit council tax increases to 2%, we would need to reduce the budget requirement in each year by:-

	2018/19	2019/20	2020/21	2021/22	2022/23
A 2% increase in council tax each year	(£0.5m)	(£1.1m)	(£1.8m)	(£2.7m)	(£3.6m)

Freezing council tax in 18/19 would increase the gap by £0.5m each year.

As highlighted earlier if pay awards are higher than the 1% allowed for in the budget then the funding gaps will increase. Assuming a 2% pay award for grey book in 17/18, and a 2% pay award for all staff in 18/19 will increase the 18/19 budget gap by £0.6m. A further 2% pay award for all staff in 19/20 will add in a further £0.4m to this figure i.e. a total additional budget gap of £1.0m in 2019/20 and each subsequent year. However until such time as a more definitive position emerges we have not allowed for that in the budget.

Reserves

A reasonable level of reserves is needed to provide an overall safety net against unforeseen circumstances, such as levels of inflation/pay awards in excess of budget provision, unanticipated expenditure on major incidents, and other “demand led” pressures, such as increased pension costs, additional costs associated with national projects, etc. which cannot be contained within the base budget. In addition, they also enable the Authority to provide for expenditure, which was not planned at the time the budget was approved, but which the Authority now wishes to implement. As such a review of the strategic, operational and financial risk facing the Authority is undertaken each year to identify an appropriate level of reserves to hold, this incorporates issues such as higher than anticipated pay awards, increased number of ill health retirements, etc.

An accurate review of future reserve requirements will be undertaken, and reported on at the CFA budget setting meeting in February. However, in order to give an overview of this area, we identified a minimum uncommitted reserve requirement of £2.8m last year. At 31 March 2018 we anticipate holding £8.4m at the end of the current year, providing scope to utilise approx. £5.6m of reserves. As such they could be used to meet the funding gap across the remainder of the four year settlement period, as well as offset some of the gap in future years.

The following table shows our anticipated reserve position taking account of current and future revenue and capital budgets (ignoring any year end slippage) with any funding gap being met by a drawdown of general reserves:-

	General Reserve	Earmarked Reserve	Capital Reserves & Receipts	Provisions	Total Useable Reserves
	£m	£m	£m	£m	£m
Balance 31/3/17	10.4	7.5	18.1	1.9	37.9
Change in year	(2.0)	(0.7)	(5.8)	(0.7)	(9.3)
Balance 31/3/18	8.4	6.8	12.3	1.1	28.6
Change in year	(0.5)	(0.3)	(4.8)	0.0	(5.6)
Balance 31/3/19	7.9	6.5	7.4	1.1	23.0
Change in year	(1.1)	(0.2)	(4.0)	0.0	(5.3)
Balance 31/3/20	6.8	6.2	3.5	1.1	17.6
Change in year	(1.8)	(0.2)	(2.0)	0.0	(4.0)
Balance 31/3/21	5.0	6.1	1.5	1.1	13.7
Change in year	(2.7)	(0.2)	(0.1)	0.0	(3.0)
Balance 31/3/22	2.3	5.9	1.4	1.1	10.7
Change in year	(3.6)	(0.1)	0.8	0.0	(2.9)
Balance 31/3/23	(1.3)	5.8	2.2	1.1	7.8

The position will change significantly if pay awards are higher than anticipated or if funding changes.

For comparative purposes the usable reserves set out above at 31 March 2018 are forecast as £28.6m, 52.5% of our turnover, this compares with a sector average of 47%. However it must be remembered that within our usable reserves are £4.0m of PFI reserve and without this our overall reserve percentage would reduce to 45% which is in line with the sector average. Not only that the draft capital programme shows a significant proportion of reserves being used in the next 2 years, reducing this figure down to approx. 30% by March 2020.

Summary Council Tax options 2018/19

Based on the scenarios outlined, and specifically allowing for a 1% pay award, the council tax options for 2018/19 are as follows:-

	2% Increase	Freeze
	£m	£m
Gross Budget Requirement	54.5	54.5
Utilisation of reserves/additional savings	(0.5)	(1.0)
Final Budget Requirement	54.0	53.5
Less Revenue Support Grant & Baseline Funding	(24.4)	(24.4)
Less Section 31 Grant re Business Rates Capping	(0.5)	(0.5)
Add Business Rates Collection Deficit	0.2	0.2
Less Council Tax Collection Surplus	(0.5)	(0.5)
Equals Precept	28.9	28.4
Estimated Number of Band D equivalent properties	432,464	432,464
Equates to Council Tax Band D Property	£66.80	£65.50
Increase in Council Tax	1.99%	0.00%

A 2% increase equates to an additional £1.30 council tax for a band D property per annum, £0.03 per week.

Summary

The draft budget shows the Authority being able to set a balanced budget in 2018/19, based on the draft 4 year settlement. It should be noted that this is based on a 1% pay award being agreed for both 2017/18 and 2018/19, any pay award in excess of this will build in additional costs which may, or may not, be met with additional funding.

Financial Implications

As outlined in the report.

Human Resource Implications

None

Equality & Diversity Resource Implications

The budget as set should enable the Authority to continue to make progress against its equality and diversity targets.

Environmental Implications

The budget as set takes account of the need to invest in environmental issues.

Business Risk

The final approved budget forms a key element of the Authority's risk management process, as it is designed to minimise any financial risks, which the Authority may face. The Treasurer feels that the budget has been prepared in a robust manner and that the level of reserves held is sufficient to meet any potential risks.

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact
Reason for inclusion in Part II, if appropriate:		

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 18 December 2017

CAPITAL BUDGET 2018/19-2022/23

Contact for further information:

Keith Mattinson - Director of Corporate Services. Tel No: 01772 866804

Executive Summary

The report sets out the draft capital programme for 2018/19-2022/23.

The draft programme as set out is affordable as it does not require any additional borrowing, but does use the majority of our existing capital reserves, which ties in to a planned use of reserves over the medium term.

A final capital programme will be presented to the Authority in February, for formal approval.

Recommendation

The Combined Fire Authority is requested to: -

- (i) Give initial consideration to the draft capital budget as presented;
- (ii) Authorise consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals;
- (iii) Give further consideration to the capital budget at their next meeting on 19 February 2018, in light of the consultation process
- (iv) Approve the removal of £1.25m in respect of training assets from the 2017/18 capital budget, noting that this is now incorporated into the 5 year programme as presented

Capital Budget Strategy

The Authority's capital strategy is designed to ensure that the Authority's capital investment:

- assists in delivering the corporate objectives
- supports priorities identified in asset management plans
- ensures statutory requirements are met, i.e. Health and Safety issues
- supports the Medium Term Financial Strategy by ensuring all capital investment decisions consider the future impact on revenue budgets
- represents value for money.

Capital Requirements

Capital expenditure is expenditure on major assets such as new buildings, significant building modifications and major pieces of equipment/vehicles.

The Service has developed asset management plans which assist in identifying the long-term capital requirements. These plans, together with the operational equipment register have been used to assist in identifying total requirements and the relevant priorities.

A summary of all capital requirements is set out in the table below.

	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
	£m	£m	£m	£m	£m	£m
Vehicles	2.428	1.648	1.968	1.173	1.169	8.385
Operational Equipment	-	1.000	-	0.895	0.100	1.995
Buildings	4.140	2.500	1.500	-	-	8.140
IT Equipment	0.270	0.765	0.560	0.100	-	1.695
Total	6.838	5.913	4.028	2.168	1.269	20.215

Vehicles

The Fleet Asset Management plan has been used as a basis to identify the following vehicle replacement programme, which is based on current approved lives:-

Type of Vehicle	No of Vehicles				
	2018/19	2019/20	2020/21	2021/22	2022/23
Pumping Appliance	6	3	4	3	3
Water Tower	1	-	-	-	-
Mobile Fire Stations (MFS)	1	-	-	-	-
Aerial Ladder Platform (ALP)	-	1	1	-	-
All-Terrain Vehicle	-	-	1	1	-
Prime mover	-	-	-	2	-
Pod	1	1	-	-	-
Operational Support Vehicles	22	21	18	14	26
	31	26	24	20	29

The replacement programme has been adjusted to remove peaks in the number of vehicle replacements in any one year for a number of years now. This 'smoothing' has inevitably resulted in some vehicles being replaced marginally ahead of or behind schedule in the past, but provides a better basis for longer term replacement strategies, which is evident in the programme outlined above.

LFRS has trialled to concept of a Water Tower during the last 12 months, as an operational vehicle which will ultimately replace a pumping appliance where appropriate to do so, as approved by Planning Committee in November. As such we have included the purchase of a further water tower in future years to enhance our operational capability, in addition to the purchase of the water tower that is currently leased in the current financial year.

LFRS currently has several vehicles provided and maintained by CLG under New Dimensions, which under LFRS replacement schedules would be due for replacement during the period of the programme. However our understanding is that CLG will issue

replacement vehicles if they are beyond economic repair, or if the national provision requirement changes. Should LFRS be required to purchase replacement vehicles, grant from CLG may be available to fund them. For information we estimate the assets would cost somewhere in the region of £2m to replace like for like. Based on the current position, we have not included these vehicles (or any potential grant) in our replacement plan.

We have included a provision for 10 Flexible Duty Officers cars to be purchased each year, following on from recent discussions regarding the impact of HMRC taxation changes in the current financial year. The actual requirement will be considered further before these are actioned, but are included to highlight the potential effects on the capital programme.

In addition, Fleet Services continue to review future requirements for the replacement of all vehicles in the portfolio, hence there may be some scope to modify requirements as these reviews are completed, and future replacement programmes will be adjusted accordingly.

Operational Equipment

The following plan allows for the replacement of items at the end of their current asset lives, based on current replacement cost:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Breathing Apparatus (BA) and Telemetry equipment	-	-	-	0.700	0.100
Cutting and extrication equipment	-	1.000	-	-	-
Light Portable Pumps	-	-	-	0.130	-
Defibrillators	-	-	-	0.065	-
	-	1.000	-	0.895	0.100

Each of these groups of assets is subject to review prior to replacement, which may result in a change of requirements or the asset life. Last year's capital programme included a continuing budgetary provision from 2018/19 onwards in respect of Future Fire Fighting, however following on from discussions with the Head of Fleet Services, it has been agreed that this amount should be removed as the current replacement priorities are already included above.

Buildings

Preston Fire Station

The current level of backlog maintenance within the Service is now minimal, reflecting the investments the Authority has made in its building stock. Following completion of works budgeted during 2017/18, the Authority will only have one fire station classed as in poor condition, Preston. A sum of £3.5m is included in 2017/18 budget for the replacement of this station, however this has been delayed whilst discussions have taken place with NWAS about construction of a joint facility. Whilst NWAS have confirmed their intention to move to a joint facility discussions are still on-going re final

design and costs, however it is clear that their inclusion in the project will significantly increase the construction costs, including fees etc., which will be recovered via a long term lease agreement. As such a further capital cost of £2.1m is included in the 18/19 capital programme to cover the balance of the anticipated construction cost.

Workshop/Training Support Facility

The current design for Fleet Workshop provided two facilities, a workshop for equipment maintenance and a facility for Driver Training School, at an estimated cost of £0.4m. Since its initial conception the following requirements have been added to the project:-

- Separating out “dirty” and “clean” areas in terms of BA school, in essence leaving “clean” areas within Astley House but establishing new “dirty” areas in an extended facility
- Replacing trainer facilities currently accommodated in Midgely House, facilitating the demolition of the existing building

As a result the initial designs are now being updated to incorporate the new requirements.

No detailed costings are available at this point in time however a provision of £2.0m has been set aside for this project. Subject to approval we will move to a more detailed design and costing process and report the outcome of this process back to Members for sign off before any works commence.

Training Assets

Members will be aware that a review of SHQ was undertaken some years ago, the outcome of which was that a project was agreed to relocate SHQ to the Training Centre site and dispose of the existing site, whilst retaining Fulwood Fire Station in situ. As a result of the uncertainty surrounding governance and funding the project was put on hold in 2013/14 for a five year period. As such the Authority will need to give further consideration to this issue in 2018/19.

As a result of this decision any significant investment in SHQ and relevant parts of the STC site has also been on hold, and remains so until a longer term decision is made. However it is clear that this position is not sustainable as some of the facilities at STC require upgrading/refurbishing/replacing. The draft programme as set out therefore includes a provision of £4.0m covering 2018/19 and 2019/20 to enable these works to be completed.

It is worth noting that the 17/18 capital budget includes a sum of £1.25m relating to investment in training assets at both STC and service delivery locations to maximise the efficiency and consistency of staff training, and in particular RDS staff. The exact requirements are still subject to review, hence no costs have been incurred on these to date. Hence looking at commitments in the capital programme and capacity within the Service capital works on these are unlikely to take place in 18/19 and it is therefore proposed that this sum is removed from the 17/18 capital programme (and from any slippage on that) and is incorporated in the draft 5 year programme as presented today. The draft programme as set out therefore includes a provision of £4.0m covering 2018/19 and 2019/20 to enable these works to be completed. This will be refined as further work takes place to scope out and cost requirements, in the coming months, prior to a longer term decision being made on the future of the STC site.

No provision has been made for the relocation of SHQ, however the draft programme as presented will clearly need reviewing and updating if the Authority decide to relocate at a future date.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Preston Fire Station	2.140	-	-	-	-
Workshop/Training Support Facility	2.000	-	-	-	-
Training Assets	-	2.500	1.500	-	-
	4.140	2.500	1.500	-	-

ICT

The sums identified for the replacement of various ICT systems are in line with the software replacement lifecycle schedule incorporated into the ICT Asset Management Plan.

All replacements identified in the programme will be subject to review, with both the requirement for the potential upgrade/replacement and the cost of such being revisited prior to any expenditure being incurred.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Replace Existing Systems					
Dynamic Mobilising Tool	0.150				
Storage Area Network (SAN)	0.120				
Vehicle specification crash recovery software		0.020			
Pooled PPE system		0.080			
Hydrant Management system		0.020			
Finance system			0.250		
Incident Command system			0.060		
Asset Management system			0.100		
HR & Payroll system			0.150		
Community Fire Risk Management Information System (CFRMIS)				0.100	
	0.270	0.120	0.560	0.100	-
Operational Communications					
Alerters for RDS/DCP staff		0.065			
Incident Ground Radios		0.180			
Vehicle Mounted Data Systems (VMDS) hardware replacement		0.400			
	-	0.645	-	-	-
Total ICT Programme	0.270	0.765	0.560	0.100	-

The anticipated replacements of operational communications assets which are affected by the national Emergency Services Mobile Communications Project (ESMCP) to deliver a replacement for Airwave (the wide area radio system currently used for mobilising by all blue light services) are currently included within the 2017/18 capital programme. The national project timeframes have slipped further, and we are awaiting updated timelines and budget information. As the national situation becomes clearer the budget will be updated as required.

Capital Funding

Capital expenditure can be funded from the following sources:

Prudential Borrowing

The Prudential Code gives the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. However any future borrowing will incur a financing charge against the revenue budget for the period of the borrowing.

Given the financial position of the Authority we have not needed to borrow since 2007, and have recently repaid a large proportion of our borrowing. Based on the draft capital programme presented this position will not change, however any major additional capital project, such as relocating SHQ, would impact on this.

Capital Grant

Capital grants are received from other bodies, typically the Government, in order to facilitate the purchase/replacement of capital items.

Capital grant was made available to the Fire sector in 2015/16 based on a bidding process. Members will recall we were successful in our bid for £3m of capital grant. No capital grant has been made available since this date, and there are no indications that grant will be made available for 2018/19, or future years, and hence no allowance has been included in the budget.

Capital Receipts

Capital receipts are generated from the sale of surplus land and buildings, with any monies generated being utilised to fund additional capital expenditure either in-year or carried forward to fund the programme in future years.

The Authority holds £1.6m of capital receipts following the sale of surplus land at Valley Road, Penwortham during 2017/18. Officer cars are currently included in the capital programme on an assumed 3 year life, therefore we have included a capital receipt of £0.1m in 2020/21 and beyond reflecting anticipated disposal proceeds.

At the end of the 5 year programme we anticipate holding £0.7m of capital receipts, which will be available to meet future costs.

Capital Reserves

Capital Reserves have been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years. Following completion of the 2017/18 capital programme, the Authority expects to hold £10.7m of capital reserves. Over the life of the programme we anticipate utilising £9.2m, leaving a balance of £1.5m by the end of 2022/23.

Summary capital receipts and reserves position

	Capital Receipts	Capital Reserves	Total
	£m	£m	£m
Balance 31/3/18	1.6	10.7	12.3
Change in year	-	(4.8)	(4.8)
Balance 31/3/19	1.6	5.9	7.5
Change in year	-	(4.0)	(4.0)
Balance 31/3/20	1.6	1.9	3.5
Change in year	(0.9)	(1.1)	(2.0)
Balance 31/3/21	0.7	0.8	1.5
Change in year	(0.1)	-	(0.1)
Balance 31/3/22	0.6	0.8	1.4
Change in year	0.1	0.7	0.8
Balance 31/3/23	0.7	1.5	2.2

Revenue Contribution to Capital Outlay (RCCO)

The revenue budget allows for an annual sum of £2m to be transferred into the Capital Funding Reserve in order to fund capital expenditure either in-year or to be carried forward to fund the programme in future years. This sum forms the basis of funding in the future capital programme, in particular once current capital reserves and receipts have been fully utilised, any requirement in excess of this would require prudential borrowing as explained above.

The revenue contribution remains the same over the life of the programme.

Total Capital Funding

The following table details available capital funding over the five year period:

	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant	-	-	-	-	-	-
Capital Receipts	-	-	0.876	0.168	-	1.044
Capital Reserves	4.838	3.913	1.152	-	(0.732)	9.171
Revenue Contributions	2.000	2.000	2.000	2.000	2.000	10.000
	6.838	5.913	4.028	2.168	1.268	20.215

Summary Programme

Therefore the summary of the programme, in terms of requirements and available funding, is set out below:

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Requirements	6.838	5.913	4.028	2.168	1.269	20.215
Capital Funding	6.838	5.923	4.028	2.168	1.269	20.215
Surplus/(Shortfall)	-	-	-	-	-	-

Over the next five years the capital programme is currently balanced, however it should be noted that the following assumptions could change:-

- Operational Communications replacements (ESMCP) are subject to a great deal of uncertainty as described earlier;
- Capital grant may be made available in future years, in order to assist service transformation and greater collaboration;
- The further introduction of Water Towers are subject to a review and vehicle requirements could be amended;
- New Dimensions vehicle replacements are expected to be carried out by CLG, however this position may change;
- All operational equipment item replacements are at estimated costs, and would be subject to proper costings nearer the time;
- ICT software replacements are based largely on the ICT asset management plan, and are subject to review prior to replacement, which has led in the past to significant slippage;

The programme is balanced, and as such be considered prudent, sustainable and affordable. However as noted above, should any of the funding assumptions or expenditure items within the programme change, this will have an impact on the overall affordability of the programme.

Impact on the Revenue budget

It is worth noting that the capital programme and its funding directly impacts on the revenue budget in terms of capital financing charges and in terms of the revenue contribution to capital outlay. Based on the provisional 4 year settlement and the assumptions included within it, the position in respect of the revenue budget appears sustainable until at least March 2020. Dependent upon future funding the revenue contribution to capital may come under increasing pressure, or alternatively if the Authority needs to borrow to meet future capital requirements this will impact the revenue budget as capital financing charges, the scale of which will depend upon the type of asset the borrowing is charged against, as it is linked to the life of assets.

Prudential Indicators

The Authority is required to calculate various prudential indicators to demonstrate that the proposed capital programme is affordable, prudent and sustainable. These have not yet been calculated, but will be included in the Authority report in February.

Financial Implications

The financial implications are set out on the report.

Human Resources Implications

None

Equality and Diversity Implications

The capital programme in respect of replacement/refurbishment of existing property will include some element of adaptations to ensure compliance with the Disability Discrimination Act.

Environmental Impact

The environmental impact of decisions relating to the capital programme will be considered as part of the project planning process, and where possible we will look to minimise the environmental impact of this where it is considered practical and cost effective to do so.

Business Risk Implications

The capital programme is designed to ensure that the Service has the appropriate assets in order to deliver its services; as such it forms a key element in controlling the risk to which the Authority is exposed.

Local Government (Access to Information) Act 1985**List of Background Papers**

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		