



HM Treasury

Impact on equalities:

analysis to accompany Spending
Review and Autumn Statement 2015

November 2015



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ISBN 978-1-910835-35-7
PU1872

Contents

		Page
Chapter 1	Introduction	3
Chapter 2	Impact on equalities	5

1 Introduction

1.1 Spending Review and Autumn Statement 2015 sets out an ambitious plan to return the country to surplus and run a healthy economy that no longer depends on debt. Alongside action to complete the repair of the public finances, the government is choosing to invest to support the most vulnerable in society, including by prioritising the National Health Service and support for pensioners; and by investing in education, skills and childcare.

1.2 This document sets out how HM Treasury has fulfilled its responsibilities under the Equality Act 2010 for Spending Review and Autumn Statement 2015.

HM Treasury's approach to equalities over the last Parliament

1.3 HM Treasury is committed to fairness and the promotion of equality for all. Over the last Parliament, HM Treasury ensured it fulfilled its responsibilities in relation to the Public Sector Equality Duty, created under the Equality Act 2010, which include the need to recognise the impact that its decisions have on people who share one or more of the 9 protected characteristics: gender, race, disability, age, religion and other beliefs, gender reassignment, pregnancy and maternity, sexual orientation, and for the purposes of the requirement not to discriminate, marriage and civil partnership.

1.4 Equalities analysis was included in advice to ministers at all fiscal events over the last Parliament, including budgets and Autumn Statements, before final decisions were taken. At both Spending Review 2010 and Spending Round 2013, the government also published analysis of how HM Treasury has fulfilled its responsibilities under the Equality Act 2010.

Spending Review and Autumn Statement 2015

1.5 HM Treasury has considered the impact which both departmental settlements and individual policy announcements will have on those with protected characteristics.

1.6 This Spending Review and Autumn Statement builds on the approach to equalities taken over the last 5 years and benefits from HM Treasury's continued engagement with the Equality and Human Rights Commission. This has led, for instance, to more bespoke engagement with departments, and further improvements to the quality of the information which departments returned to HM Treasury in their equalities assessments.

1.7 Earlier in 2015, HM Treasury asked departments to complete assessments of the high-level equality impacts of key areas of spending. Similar analysis had previously been completed for Spending Review 2010 and Spending Round 2013 – providing information which was able to inform the early planning stages of Spending Review and Autumn Statement 2015. These assessments are indicative only: reduced departmental spending will not necessarily lead to negative impacts for those with protected characteristics if the same services can be provided more efficiently or in a more targeted way, and departments may change the way in which they allocate resources between different policy areas as a result of the settlements they receive, in order to mitigate the impacts identified in their returns.

1.8 The assessments returned by departments were subsequently used to inform advice to ministers on both individual departmental settlements, and on cross-cutting aspects of policy.

1.9 Tax Information and Impact Notes (TIINs) have also been produced for tax measures announced as part of Spending Review and Autumn Statement 2015, which include the impact of individual measures on those with protected characteristics. The government will publish an

overview of legislation in draft in December 2015 which brings together the TIINs of tax measures for which draft legislation will be published.

Next steps

1.10 With support from the Government Equalities Office, individual government departments will continue to make more detailed decisions on how to allocate budgets within their Spending Review settlements and, as part of this, will consider the impacts of those decisions on individuals with protected characteristics.

1.11 HM Treasury will continue to engage with departments as they seek to improve the quality of their equality assessments of departmental priorities. HM Treasury will also continue to engage with the Equality and Human Rights Commission as to how it can build on its approach to equalities for future fiscal events.

2 Impact on equalities

2.1 Spending Review and Autumn Statement 2015 focuses on security for families, including by prioritising health and social care, pensions, jobs and supporting the most vulnerable in society. It also invests in skills and education, to give children the best start in life and to equip young people for the future.

2.2 This chapter sets out the high level impacts of the government's decisions to invest in these priorities, on people who share one of more of those protected characteristics most likely to be disproportionately affected by the decisions taken: gender, age, race and disability. The equalities assessments returned by departments also highlighted some budget level impacts on the other five protected characteristics (religion, gender reassignment, pregnancy and maternity, sexual orientation, and marriage and civil partnership). Where departments did identify significant impacts on these protected characteristics, advice to ministers took this into account.

Continuing existing protections

2.3 Over the last Parliament, the government protected spending on the NHS to ensure high quality and sustainable healthcare for families and individuals. This Spending Review and Autumn Statement goes further, confirming that the NHS will receive £10 billion per annum more in real terms by 2020-21 than in 2014-15. This additional investment will support the NHS in England in delivering a 7 day service, improving access for all, including those who are more likely to use NHS services such as women, the elderly and people with disabilities.

2.4 Over the last 5 years, the government also protected the schools budget. This Spending Review and Autumn Statement continues to protect the school budget in real terms. The per pupil rate for the dedicated schools grant will be protected in cash terms, including £390 million of additional funding given to the least fairly funded schools in 2015-16. The Pupil Premium will also be protected at current rates, so that schools receive additional money for those from the poorest backgrounds. The government will also protect in cash terms the current national base rate per student for 16-19 year-olds in school sixth forms, sixth form colleges and further education colleges in England. This will support education to raise productivity and promote long term economic growth.

2.5 In a time of fiscal constraint the government has had to make difficult decisions in terms of which budgets should be protected. However, it has already shown that reductions in funding can be accompanied by greater levels of productivity: the majority of taxpayers think local services have either stayed the same or improved over the last 5 years, despite decreases in local government budgets.¹ With this in mind, the government has introduced measures where possible which seek to mitigate the risk of negative impacts resulting from reductions in funding for services used disproportionately by those with protected characteristics.

Gender

2.6 The government is committed to pursuing full, genuine gender equality, including by enabling women who want to be in work find employment.

2.7 Building on reforms to childcare during the last Parliament, the government will double free childcare from 15 hours to 30 hours a week for working families of 3 and 4 year-olds, worth up to £5,000 per child per year from September 2017, and will invest over £1 billion more a year by

¹ Ipsos MORI, 28 October 2015

2019-20 on free childcare places for 2, 3 and 4 year-olds. This will help parents, particularly women, return to work.

2.8 The government recognises the need to ensure that current spend on support for victims of domestic violence, many of whom are women, is secure over this Parliament. The government is therefore committing at the Spending Review and Autumn Statement to spend £10 million per year on domestic violence interventions, including refuges, to support a sustainable funding strategy which looks at victims' needs in their entirety. The government will also set up a new fund equivalent to the total amount of VAT paid on sanitary products, to provide additional support to women's charities over the course of this Parliament, or until the UK can apply a zero rate of VAT for sanitary products.

Age

2.9 The government is committed to prioritising support for pensioners, in order to ensure they are able to live with the dignity and respect they deserve.

2.10 The basic State Pension is the foundation of state support for older people. The Spending Review and Autumn Statement therefore confirms that the basic State Pension will once again be increased by the triple lock (the highest of earnings, prices or 2.5%), which will result in the biggest real terms increase since 2001.

2.11 The Spending Review and Autumn Statement also invests in education, skills and children in order to improve the life chances of young people and boost productivity.

2.12 In addition to protecting per pupil school funding, the government has put in place important mitigations which will ensure those with protected characteristics can still benefit from the unprotected elements of education spend. For example, the government will increase spending on apprenticeships through the introduction of an apprenticeship levy. This will create 3 million apprenticeships by 2020 and will disproportionately benefit young people, who are more likely to take up an apprenticeship than the general working age population.

2.13 The government will also ensure that young people who have a disability receive the necessary support. The Spending Review and Autumn Statement provides funding for new school places for pupils with special educational needs and disabilities, whose needs are best met outside mainstream education; protects the Family Fund Trust, which supports around 69,000 families of children with a serious disability; and introduces a new funding formula for school and children with high needs, which will distribute money more fairly.

Race

2.14 The government has taken into account the impacts on people from ethnic minorities when making decisions at the Spending Review and Autumn Statement.

2.15 Protecting the Pupil Premium at current rates, which provides schools with extra funding for the most disadvantaged children, is expected to disproportionately benefit those from ethnic minorities as well as those who have a disability, given the eligibility criteria. The government will continue the focus on disadvantaged children with a weighting for disadvantage in the new national funding formula for schools.

Disability

2.16 Decisions made in the Spending Review and Autumn Statement have taken account of the possible impacts on people with disabilities.

2.17 The government will prioritise supporting public services which are disproportionately used by those with care needs, such as social care. A new social care precept and additional funding for the Better Care Fund will help ensure local authorities have access to the funds they need to increase social care spend in real terms by the end of the Parliament. This will improve care for patients, including older people and those with disabilities.

2.18 Protecting the NHS budget will also benefit those with disabilities, who make above-average use of health services. Access to mental health services remains a government priority, and investment here disproportionately benefits not only those with a disability, but also children, adolescents and older people; perinatal and postnatal women; LGBT groups, and some ethnic minorities; all of whom are more likely to use mental health services than the general population. New investment to expand the Improving Access to Psychological Therapies (IAPT) programme over the next 5 years will therefore have a positive impact on individuals across a range of protected characteristics.

2.19 The government has taken difficult decisions on welfare reform in order to move Britain towards a higher wage, lower tax, lower welfare economy, which have fully considered the impact on those with protected characteristics, including those with a disability. The government is committed to helping more people with disabilities who can and want to be in work find employment. The Spending Review and Autumn Statement therefore announces an increase in real terms spending on disability employment support, and that the government will publish a White Paper in the new year setting out reforms to improve support for people with health conditions and disabilities and further reduce the disability employment gap.

2.20 The government is committed to helping disadvantaged groups, including those with disabilities, get about. The government has therefore protected parts of the transport budget, including the Bus Service Operators Grant, which is used to subsidise bus travel. This will help to ensure bus services can continue to run to the benefit of people who have a disability, as well as young people, women and ethnic minorities – all of whom are more likely to use buses than the general population.

2.21 Building on the success of the UK's most successful Olympics ever at London 2012, and the inspirational achievements of the UK's Paralympians, the Spending Review and Autumn Statement announces that central government funding for elite sport will increase by 29% by 2021. This will support the Paralympics GB team in the run up to Rio 2016 and Tokyo 2020.

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