**Money Matters -**

**Additional Savings 2018/19 – 2020/21**

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**CORP001 – VACANCY FACTOR**

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| **Service Name:** | LCC Wide – Staffing Budgets  |
| **Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21** | 2018/19 |
| **Gross budget 2017/18** | £319.042m |
| **Income 2017/18** | N/A |
| **Net budget 2017/18** | £319.042m |
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| **Savings Target and Profiling (discrete year):**  |
|  |
| **2018/19** | **2019/20** | **2020/21** | **Total**  |
| **£m** | **£m** | **£m** | **£m** |
| -6.381 | 0.000 | 0.000 | -6.381 |
|  |
| **FTE implications:** |
| **2018/19** | **2019/20** | **2020/21** | **Total** |
| *0.00* | *0.00* | *0.00* | *0.000* |
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| **Decisions needed to deliver the budgeted savings** | Agree to apply a 2% vacancy factor to the staffing budget of the County Council.  |
| **Impact upon service** | This decision may impact on some service capacity, however the current position in 2017/18 is a forecast underspend on staff budgets of c£5m with services continuing to deliver services. A review of those services for which a vacancy factor may not be appropriate will need to be undertaken.  |
| **Actions needed to deliver the target savings** | Process to be developed to review how recruitment requests are put forward and authorised if a vacancy occurs within a service. Regularly monitor the vacancy position across the County Council and regularly review the budget monitoring position of staffing budgets. |

**CORP002 – FOUNDATION LIVING WAGE**

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| **Service Name:** | LCC Wide – Foundation Living Wage |
| **Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21** | 2018/19 |
| **Gross budget 2017/18** | £319.042m |
| **Income 2017/18** | N/A |
| **Net budget 2017/18** | £319.042m |
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| **Savings Target and Profiling (discrete year):**  |
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| **2018/19** | **2019/20** | **2020/21** | **Total**  |
| **£m** | **£m** | **£m** | **£m** |
| -0.515 | -0.528 | 0.000 | -1.043 |
|  |
| **FTE implications:** |
| **2018/19** | **2019/20** | **2020/21** | **Total** |
| *0.00*  | *0.000* | *0.00* | *0.00* |
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| **Decisions needed to deliver the budgeted savings** | Lancashire County Council ceases being a Foundation Living Wage (FLW) employer, and pays National Living Wage (NLW) rates instead.The current FLW rate paid would be frozen until NLW rate overtakes it – currently forecast to be in 2020/21. The 2017/18 Foundation Living Wage is £8.45 per hour and the National Living Wage is £7.50 per hour.  |
| **Impact upon service** | * Potential increase in staff turnover
* Potential reduction in staff morale
 |
| **Actions needed to deliver the target savings** | Communication to staff and consultation with the Trade Unions.An initial Equality Analysis is set out below. This will be updated following consultation and provided to Cabinet for them to consider to ensure that they are complying with the public Sector Equality Duty as set out in s.149 of the Equality Act 2010. No longer pay to be an accredited Foundation Living Wage employer. If Cabinet were to recommend that the Council cease to be a Foundation Living Wage employer this would need to be agreed by Full Council. |

**What does this service deliver?**

A number of services across the Council will have staff affected by this option. The highest numbers of employees currently paid Foundation Living Wage deliver services within Facilities Management, Traded services (catering), Older People and Public and Integrated Transport.



**Section 4**

**Equality
Analysis Toolkit
For Decision Making Items**
November 2017

**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 characteristic are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstance 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**

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| The decision will mean that Lancashire County Council will cease being a Foundation Living Wage (FLW) employer, and will pay National Living Wage (NLW) rates instead. The current FLW rate paid would be frozen until NLW rate overtakes it – currently forecast to be in 2020/21. The frozen rate would be applied to both existing and new employees. |

**What in summary is the proposal being considered?**

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| Lancashire County Council, as an employer, paysthe Foundation Living Wage which is a higher minimum rate of pay to its directly employed staff. The Foundation Living Wage rate exceeds the Government's National Living Wage and forms part of the Lancashire Pay Spine. The Foundation Living Wage is a voluntary hourly rate that is set independently, updated annually and calculated by the Living Wage Foundation. When the Council became a Living Wage employer in 2014, it agreed to adopt the Living Wage Foundation rate and to uplift its rate within six months of their annual review.Being a Foundation Living Wage employer is a decision taken by the authority and this proposal is driven by budgetary rather than legal requirements.  |

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.

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| The decision will affect employees of Lancashire County Council who are in posts currently paid at the Foundation Living Wage |

**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.

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| Tables covering as many of the protected characteristics as we have data for are included on the following pages. The decision to cease FLW will have a disproportionate adverse impact on female part-time workers considerably more than any other group. |

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

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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.)

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**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.

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| 32% of the affected workforce are aged 50-59, however there are considerable numbers of staff affected across other age ranges.41% of the affected workforce have identified as being white British and the remainder are either unknown or another ethnicity.49% of the affected workforce have identified themselves as not having a disability and 50% is unknown, only 1% have declared a disability.The level of unknown entries for both disability and ethnicity makes it difficult to draw a clear view of the potential impact on these protected characteristic groups.The decision to cease FLW will have a disproportionate adverse impact on female part-time workers considerably more than any other group.A significant number are casual/supply workers. |

**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)

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| It is intended to follow normal consultation procedures if the proposal is agreed in principle.At this stage, there has been no consultation with the groups potentially affected by this option. |

**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.

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| If the proposal goes ahead it would be achieved by not increasing the FLW for staff in posts affected until the NLW reached the same level (estimated to be in 2020/21). This is likely to impact on female employees as they form the vast majority of employees in posts affected. Although, at this time, rises in the FLW exceed those for other LCC employees. Should the proposal take effect it is estimated that these employees would not receive any increase in pay until 2020/21. This would inevitably impact on their income and so impact adversely on advancing equality of opportunity for this group of employees.  |

**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.

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| Depends on what other options go forward. If there are options which impact on pay and conditions there will potentially be a cumulative impact on this group.There are also some broader national factors such as rises in inflation/cost of living which could also combine to increase the impact of the proposal.  |

**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

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| Continuing with the original proposal - The County Council is experiencing an ongoing period of unprecedented financial pressure as a result of the Government's extended programme of austerity combined with significant increases in demand for public services. This proposal has emerged as part of the need for the County Council to reduce its spending due to an estimated funding gap of £161.218 million by 2021/22. |

**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.

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| There might be some mitigation for example by excluding this group from some other proposals relating to pay and conditions which might have a detrimental impact.  |

**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.

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| It is acknowledged that the proposal will adversely impact on employees currently paid at the Foundation Living Wage and that many of these employees are in part time posts and a disproportionate number are female. The Living Wage is an informal benchmark, not a legally enforceable minimum level of pay, like the national minimum wage. The basic idea is that the Living Wage is a minimum pay rate needed to let workers lead a decent life. The Foundation Living Wage rate exceeds the Government's National Living Wage and forms part of the Lancashire Pay Spine. The national minimum wage is set by the Chancellor of the Exchequer each year on the advice of the Low Pay Commission. It is enforced by Her Majesty's Revenue and Customs (HMRC).The County Council is experiencing an ongoing period of unprecedented financial pressure as a result of the Government's extended programme of austerity combined with significant increases in demand for public services. This proposal has emerged as part of the need for the County Council to reduce its spending due to an estimated funding gap of £161.218 million by 2021/22.Living Wage is not the result of the national pay negotiations for local government staff and have to date been at a rate in excess of that reflected in the national agreements which are reflected in the County Council's financial planning framework. |

**Question 8 – Final Proposal**

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

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| Freeze pay grades for Foundation Living Wage (FLW) until National Living Wage (NLW) reaches the same level then pay the National Living Wage (NLW).The decision will affect employees of Lancashire County Council who are in posts currently paid at the Foundation Living Wage |

**Question 9 – Review and Monitoring Arrangements**

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

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| There is an annual Equality Information report produced to meet the Public Sector Equality Duty's requirements which, from March 2018, will include information on the Gender Pay Gap. This may form one monitoring option although consideration may need to be given to whether more detailed information is needed to assess the affected posts against the benchmark data included in this analysis. |

Equality Analysis Prepared By

Position/Role

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

**CORP003 – TERMS AND CONDITIONS**

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| --- | --- |
| **Service Name:** | LCC Wide – Staffing Budgets  |
| **Which 'start year' does this option relate to 2018/19, 2019/20 or 2020/21** | 2018/19 |
| **Gross budget 2017/18** | £319.042m |
| **Income 2017/18** | N/A |
| **Net budget 2017/18** | £319.042m |
|  |
| **Savings Target and Profiling (discrete year):**  |
|  |
| **2018/19** | **2019/20** | **2020/21** | **Total**  |
| **£m** | **£m** | **£m** | **£m** |
| -3.750 | -1.250 | 0.000 | -5.000 |
|  |
| **FTE implications:** |
| **2018/19** | **2019/20** | **2020/21** | **Total** |
| *0.00* | *0.00* | *0.00* | *0.000* |
|  |
| **Decisions needed to deliver the budgeted savings** | Review staff terms and conditions across the County Council and enter into formal consultations with the recognised Trade Unions to achieve at least a £5m saving.  |
| **Impact upon service** | This may result in low staff morale and increased staff turnover.  |
| **Actions needed to deliver the target savings** | The Council would be required to serve a Notice under s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992 on the recognised trade unions which would trigger a formal consultation of not less than 90 days. The purpose of the consultation would be to try to reach a collective agreement to introduce proposed changes to employment terms and conditions. The Notice is required as if a collective agreement cannot be reached then the Council could only introduce the changes legally by dismissing staff and at the same time offering re-engagement on the basis of the new terms and conditions An Equality Analysis will be undertaken for Cabinet to consider to comply with the Public Sector Equality Duty when the outcome of the consultation is reported back to Cabinet.  |