



**Equality Impact Assessment**

**Final Consultation Response**

**The Department for the Economy's  
Spending Plans for 2023/2024**

**December 2023**

## Table of Contents

<b>1</b>	<b>Introduction</b> .....	<b>3</b>
1.1	<b>Responses received</b> .....	<b>3</b>
<b>2</b>	<b>Budget Proposals &amp; Updates</b> .....	<b>3</b>
2.1	<b>Update following the consultation</b> .....	<b>6</b>
<b>3</b>	<b>Consultation Questions</b> .....	<b>9</b>
<b>4</b>	<b>Analysis of responses</b> .....	<b>10</b>
4.1	<b>General issues raised</b> .....	<b>10</b>
4.2	<b>Specific issues raised</b> .....	<b>16</b>
<b>5</b>	<b>Next Steps</b> .....	<b>21</b>

# 1 Introduction

Following the Secretary of State's Budget on 27 April 2023, the Department for the Economy (DfE) launched its Equality Impact Assessment (EqIA) Consultation on its Draft Spending Plans for 2023/24. [Equality Impact Assessment - DfE's Spending Plans for 2023–2024](#)

As decisions around budget reductions needed to be made urgently, DfE split its response period into two stages:

- An initial four-week response period (7 June 2023 to 5 July 2023). Following which an Initial Response document was published in July 2023; [Equality Impact Assessment - DfE's Spending Plans for 2023–2024](#) and;
- A final response period between weeks five and twelve of the consultation (6 July to 30 August 2023).

This final report considers all responses received throughout the full consultation period (7 June to 30 August 2023) and any mitigations identified.

## 1.1 Responses received

In total there were 33 responses received.

- 19 responses (12 organisations and seven individuals) received in the initial period (7 June to 5 July 2023).
- A further 14 responses (11 organisations and three individuals) were received in the final period (6 July to 30 August 2023).

This final report has been produced to summarise all of the key issues raised throughout the full 12-week consultation. The themes raised in the responses received in the final phase were consistent with those already addressed in the initial response document.

## 2 Budget Proposals & Updates

The Secretary of State for Northern Ireland (SoS) announced the 2023/24 Budget on 27 April 2023. The Department for the Economy (DfE) was allocated funding of £772 million Resource DEL (RDEL) and £246 million Capital DEL (CDEL) for 2023/24. When comparing the SoS's budget to the Draft Budget 2022–25, DfE had to deliver its services with £100 million less, and in addition fund pressures of £30 million identified for 2023/24. Therefore, DfE's overall resource spending power was reduced by £130 million, or 16%.

Table 1 below details the initial proposals included in the consultation document to Deliver £130 million Non Ring-Fenced Resource DEL Savings.

<b>Table 1 - Draft Proposals to Deliver £130 million Non Ring-Fenced Resource DEL Savings</b>	<b>2022/23 savings delivered to be replicated £m</b>	<b>Additional 2023/24 savings required £m</b>	<b>Total £m</b>
Invest NI in-year reduction 22/23	14		
115 vacant DfE posts not filled in-year	7		
Reduction in HE Student Support	10		
FE Colleges in-year reduction 22/23	5		
Invest NI R&D funding RDEL/CDEL switch <sup>1</sup>	12		
HEI Postgraduate funding RDEL/CDEL switch <sup>2</sup>	17		
Additional funding due to DfE from 22-25 Draft Budget <sup>3</sup>	10		
10% Reduction in Funding to HE Institutions		14	
33% Reduction in Funding to Tourism NI		9	
4% Reduction in Funding to FE Colleges		9	
Wind down of Covid Support Schemes		7	
Skills Initiatives Reduction in Funding		7	
Removal of all additional Jurisdictional Funding for Tourism Ireland <sup>4</sup>		6	
5% Reduction in Funding to NI Screen		1	
Removal of all additional Jurisdictional Funding for Intertrade Ireland <sup>5</sup>		1	
Labour Relations Agency, Consumer Council & Health and Safety Executive Reduction in Funding		1	
<b>Total</b>	<b>75</b>	<b>55</b>	<b>130</b>

<sup>1</sup> Change in accounting treatment but this resulted in a reduction in available RDEL.

<sup>2</sup> Change in accounting treatment but this resulted in a reduction in available RDEL.

<sup>3</sup> DfE were due to receive an additional £10 million from the 22-25 Draft Budget – non-receipt resulted in suspension of launch of All Age Apprenticeships, Energy Initiatives and New Skills Programmes.

<sup>4</sup> DfE provided additional funding in 2022/23 to assist with covid recovery initiatives.

<sup>5</sup> DfE provided additional funding in 2022/23 to assist with covid recovery initiatives.

## **2.1 Update following the consultation**

In such a constrained financial environment the Department has little scope beyond close management of the SoS's allocated budget to mitigate against the impacts identified throughout the Budget consultation.

DfE has carried out extensive work to consider options to ensure the Department both lives within its 2023-24 Budget allocation; as the Department's Accounting Officer has a legal obligation to deliver a balanced budget; and to reallocate funds to areas identified as having received greater Section 75 impacts from the proposed original budget.

Through close budget management, a pause on filling departmental vacancies and the close scrutiny of demand led programmes the Department has been able to reallocate its budget internally to provide an element of mitigation. DfE has also been proactive in securing other sources of funding to support the delivery of new programmes in support of our vision for a 10 x Economy.

Following this work funding has been redirected to the following sectors which identified the highest Section 75 impacts.

### **Further Education, Higher Education and Skills**

This sector minimised the impact of reductions by redirecting easements coming out of demand led schemes and efficiencies, and maximising alternative funding to make the following one off in-year allocations:

- £1 million towards Student Hardship initiatives;
- £1.8 million to FE Colleges to protect the sector from having to make further reductions to meet inescapable contractual pressures; and
- £3 million to enable more participants to avail of vital Skills projects including Innovate Us, Skills Focus and SkillUp projects.

## **Economic Strategy**

This sector re-prioritised its funding across key delivery agents to maximise the positive impact for the Northern Economy whilst minimising the potential negative impact on Section 75 groups identified from planned reductions. As a result, the following one off in-year allocations were possible.

**Tourism NI:** was allocated an additional £3.6 million to mitigate against some of the consequences in its impact assessment of a proposed £9 million reduction in its programme spend.

**NI Screen:** additional funding to NI screen to support the delivery of its Open Doors II Strategy and reflect the positive economic return investment this sector has for the NI Economy.

### North South Bodies

**Tourism Ireland and InterTradeIreland:** in line with previous years, in-year reallocations have been redirected, where possible, to address the shortfall in in-year funding from Northern Ireland for North South bodies, with almost £8 million being required to meet the shortfall in InterTradeIreland and Tourism Ireland.

## **Other Funding Sources**

In the 2023/24 budget period DfE and its Partner Organisations secured additional funding from the UK Government to take forward new programmes in support of the 10X Economic Vision for a 10X Economy. This included:

- £5.8 million, across the next two years, from the UK Shared Prosperity Fund to enable two FE Colleges to partner with the Voluntary and Community Sector to deliver training and employment schemes focused on the economically inactive.
- £15 million, across the next two years, from the Northern Ireland Office for Skills Step-Up, a new programme delivering a suite of intensive support interventions primarily focused across the further and higher education sectors.
- £15 million, across the next two years, from the Northern Ireland Office to support the foundation and growth of more high potential innovation driven start-ups.

## **Summary**

Due to the constrained budget environment and increasing costs not all budget cuts could be mitigated, and all departments and sectors must learn to do more with less. However, DfE continues to work with the SoS and the Northern Ireland Office, alongside its Partner Organisations and others to secure funding from other sources to counter and/ or enhance the budget available in 2023/24 and beyond.



### 3 Consultation Questions

The following six questions were asked as part of the consultation.

Of the 33 respondents, only 24 directly responded to all/ some of the questions asked.

Q1	Do you agree that DfE has gathered the necessary data to inform its decisions around the allocation of its budget? If not, what other sources of data should the Department consider?	24 responses 12 Yes 12 No
Q2	Do you agree with DfE's assessment of the proposals for budget reductions? If not, what other areas of the Department's spend should be considered?	24 responses 5 Yes 19 No
Q3	Do you agree with DfE's assessment of equality impacts of the options considered for budget reductions? If not, what other equality impacts does the Department need to take account of?	24 responses 13 Yes 11 No
Q4	Do you agree that DfE has correctly identified all relevant mitigations that could help reduce the adverse equality impacts of the budget reductions? If not, what additional mitigation measures should the Department consider?	24 responses 10 Yes 14 No
Q5	Do you agree with DfE's overall assessment of the business areas where the proposed budget reductions will need to be made? If not, which areas of the Department's business would be better able to withstand reductions?	24 responses 7 Yes 17 No
Q6	Do you have any other comments you would like to add about this consultation – yes or no?	Of the 24 full responses 7 provided no additional comments.

## 4 Analysis of responses

### 4.1 General issues raised

Table 2 below summaries the general issues raised from the Budget EqIA Consultation.

Table 2 – General issues raised	Issue Raised	Departmental response
<b>Decisions made in advance of EqIA</b>	The Department appears to have made decisions in advance of the EqIA.	<p>In setting a budget, existing contractual and statutory budgetary commitments must take priority. With constrained funding and time, the Department has little room in which to reassess and reprioritise its spending priorities particularly in the current political vacuum.</p> <p>Given the lateness of the SoS’s budget allocation it was necessary to provide draft budget allocations to allow operations to continue to function and fulfil statutory and contractual obligations. However, these allocations were draft and subject to change following the outcome of the budget consultation.</p>
<b>Data used</b>	1. A number of responses commented that only two policy areas, Apprenticeships, and Invest NI, were considered to have disproportionate impacts across S75 groups and therefore included in the consultation.	1. In preparation for this consultation, all policy areas within the department conducted a screening exercise to identify whether any S75 groups were disproportionately impacted by the proposed budget allocations. Where departments identify significant adverse impacts, they may mitigate those impacts by the internal reallocation of budgets. Where departments cannot mitigate adverse impacts,

Table 2 – General issues raised	Issue Raised	Departmental response
	<p>2. The EqIA does not include information from all screenings for the basis for screening out.</p> <p>3. The specific data on which the Department made its assessments was not extracted, therefore putting an onus on consultees to extract and analyse data.</p>	<p>they can identify the issue within their equality screening / EqIA. The consultation document reflected the outcome of that process.</p> <p>2. It is noted that cuts of this nature will undoubtedly have profound impacts, across the board. Only two policy areas, Apprenticeships, and Invest NI, identified disproportionate impacts on any particular S75 group. Details of these were included in the consultation paper.</p> <p>3. DfE acknowledges this point and will look to improve on how this information is presented in the future. The ability to address this issue was constrained by the time frames the Department was operating within.</p>
<p><b>Consultation Timeline</b></p>	<p>Concerns were raised in relation to the consultation period as the timeline is not in line with what is outlined in the Department's Equality Scheme.</p>	<p>Due to the lateness of the budget allocations, the timeline afforded to DfE was restricted and outside of the normal process.</p> <p>Decisions were needed early in the financial year to allow continuation and delivery of the work of the Department. Therefore DfE, similar to other departments, decided that splitting the response time, into an initial four-week period for immediate responses followed by a further eight weeks for final responses, was a pragmatic way forward.</p>

Table 2 – General issues raised	Issue Raised	Departmental response
		<p>This ensured that there was a full 12-week consultation period:</p> <ul style="list-style-type: none"> <li>• Initial period (4 weeks) for opening budget decisions, and</li> <li>• Final period (8 weeks) to inform in-year budget decisions.</li> </ul>
<b>Rural Needs Impact Assessment</b>	It was noted that a Rural Needs Impact Assessment was not yet published.	A Rural Needs Impact Assessment has now been published. <a href="https://www.economy-ni.gov.uk/dfe-budget-2023-24-rural-needs-impact-assessment">DfE budget 2023/24 - rural needs impact assessment (economy-ni.gov.uk)</a>
<b>Impacts on Women</b>	The issue of gender budget was raised by some stakeholders who highlighted the need for gender budgeting to be embedded in all stages of policy making.	DfE ensures appropriate assessments are made of any likely impact on equality of opportunity and good relations for those S75 categories affected by the proposed budget.
<b>Cumulative Impacts</b>	The EqIA does not consider cumulative impacts across the policies or if there are impacts on multiple identities.	The Departments acknowledges the benefits to be gained from a cumulative analysis of impacts.
<b>Lack of mitigations</b>	Lack of mitigations impacts the ability of stakeholders to engage with the consultation.	<p>The Department has been operating under one-year constrained budgets (excluding additional one off Covid funding) for many years.</p> <p>Without further funding the Department is not able to effectively mitigate all the effects of these decisions. However, it mitigated the impact of its budget allocation by removing the pause on the launch of All Age Apprenticeships.</p>

Table 2 – General issues raised	Issue Raised	Departmental response
		<p>This action not only addresses issues raised as part of the EqlA and consultation process but reinforces DfE’s commitment to the delivery of work-based learning, and in particular apprenticeships. Apprenticeships are central to the delivery of the 10X vision: in particular promoting inclusion and inclusive growth that are aligned with DfE’s economic priorities.</p> <p>All Age Apprenticeships will help address skills gaps; provide an employed route for re-skilling in line with 10X; and can also help address the gender gap in apprenticeships.</p> <p>DfE will continue to make the case to DoF, the SoS, and any future Executive, for additional resources to advance the Department’s outcomes. The outcome of the EqlA will be used to prioritise the distribution of resources.</p> <p>In addition, DfE will continue to work with other organisations in the public, private, and voluntary sectors to identify alternative sources of support for groups impacted by the budget allocations.</p> <p>The Department has already secured £15 million from the Northern Ireland Office New Deal funding across the next two years for a new Step-Up project. This project will deliver a suite of intensive support interventions across the further and higher education sectors.</p>

Table 2 – General issues raised	Issue Raised	Departmental response
		<p>£10 million of Entrepreneurship funding, across the next two years has also been secured to support the foundation and growth of more high potential innovation driven start-ups, directly contributing to DfE's 10X Vision.</p> <p>Two FE Colleges along with Partner Groups from the Voluntary and Community Sector have secured £5.8 million, across the next two years, from the UK Shared Prosperity Fund for training, employment schemes focused on the economically inactive.</p>
<b>Consultation Method</b>	<p>It may have assisted consultees to engage more effectively with the consultation if additional consultation methods were used, such as face-to face meetings with officials, as referenced in the Department's equality scheme.</p>	<p>Given the lateness of the SoS's budget allocation, and the short turnaround time required to provide budget certainty for contractual and statutory obligations, it was necessary to find a pragmatic solution that would provide immediate responses. However, the department acknowledges this point and will endeavour to develop additional complimentary methods in the future.</p>
<b>Monitoring</b>	<p>The Department has not included how it proposes to monitor the impact of budget decisions on Section 75 groups.</p> <p>The final EqIA report should outline what specific systems and mechanisms the Department will put in place to do this.</p>	<p>The Department recognises this requirement and will continue to monitor the financial position until the end of the financial year.</p> <p>The Department acknowledges that S75 requires it to have due regard to promotion of equality. Services can only be provided within the budget</p>

<b>Table 2 – General issues raised</b>	<b>Issue Raised</b>	<b>Departmental response</b>
	The Department is reminded that the Section 75 duties are continuing duties, and it is required to equality assess any changes to circumstances.	available and considering the requirement to deliver statutory duties.

## 4.2 Specific issues raised

Table 3 below highlights the key issues raised in relation to specific proposals.

Table 3 – Specific issues Raised	Issues Raised	Departmental response
<p><b>Cuts to Further/ Higher Education and Apprenticeships</b></p>	<p>1. In relation to cuts to Further/ Higher Education and Apprenticeships stakeholders felt that this would have a direct impact on working class communities and inhibit social mobility, undermine progress on widening participation, and result in an exodus of young people and those who are vulnerable, from universities and colleges.</p>	<p>1. In recognition of the impact of reductions to Further Education, Higher Education and Apprenticeships DfE has taken the decision to move forward with All Age Apprenticeships as this will help to address skills gaps; provide an employed route for re-skilling in line with priorities; and can also help address the gender gap in apprenticeships – female participation in AppsNI is 26% (to end April 2022), the lowest percentage recorded.</p> <p>The delivery of work-based learning, and in particular apprenticeships, is central to the delivery of the 10X vision: promoting inclusion and inclusive growth that are aligned with DfE’s economic priorities.</p> <p>In addition, the Department has secured £15 million from the Northern Ireland Office New Deal funding across the next two years for a new Step-Up project. This project will deliver a suite of intensive support interventions across the further and higher education sectors. These interventions will engage those hardest to reach and ensure higher engagement,</p>



Table 3 – Specific issues Raised	Issues Raised	Departmental response
	<p>2. Planned reduction in budget will require a reduction in undergraduate numbers to be sustainable.</p> <p>3. Reductions to the Higher Education Student Maintenance Grant may introduce further inequalities between students from different economic backgrounds, and thus perpetuate socioeconomic inequalities into future generations.</p>	<p>retention, and progression rates of participants.</p> <p>2. DfE has been working closely with Higher Education Institutions to mitigate the risk of a reduction to student places as a result of the budget cuts, whilst maintaining the requisite standard of tuition.</p> <p>We understand that no student places were cut in the forthcoming academic year, other than some Initial Teacher Education (ITE) places as proposed by the Department of Education.</p> <p>3. Whilst the Maintenance Grant has remained unchanged, DfE has implemented a 40% increase in the maximum maintenance loans available from 2023/24.</p> <p>DfE has also committed to undertake a full review of the Higher Education funding system, including the support provided to students such as Maintenance Loans, Grants and other student support products, and the support provided to the sector, such as the level and mix of Teaching Grant and fees.</p>

Table 3 – Specific issues Raised	Issues Raised	Departmental response
	<p>4. Competition between Higher Education Is and FE Colleges for student enrolments diverts resources away from the rationalisation of courses, skills intervention, and excellence in teaching.</p>	<p>4. Against a background of falling Further Education enrolments and increasing cost of delivery, DfE is carrying out a review of the Further Education delivery model.</p> <p>The purpose of the review is to ensure that the Further Education sector is operating as effectively as possible and has the agility and flexibility needed to deliver on its critical role in meeting the skills needs of both learners and employers.</p> <p>This sector minimised the impact of reductions by redirecting easements coming out of demand led schemes and efficiencies, and maximising alternative funding to make the following one off in-year allocations:</p> <ul style="list-style-type: none"> <li>• £1 million towards Student Hardship initiatives;</li> <li>• £1.8 million to FE Colleges to protect the sector from having to make further reductions to meet inescapable contractual pressures; and</li> <li>• £3 million to enable more participants to avail of vital Skills projects including Innovate Us, Skills Focus and SkillUp projects.</li> </ul>

<b>Table 3 – Specific issues Raised</b>	<b>Issues Raised</b>	<b>Departmental response</b>
<b>Cuts to Tourism</b>	<p>The 33% reduction in funding to Tourism NI will impact on investment in events, marketing, and capital development, which will slow the renewed growth in tourism further to the Covid-19 pandemic. It also reduces skills and economic development within the Tourism and Hospitality sector in NI.</p>	<p>Difficult decisions have been and will continue to be needed to live within the funding available. Tourism NI, along with many partner bodies in NI, has been impacted by this but continues to deliver a range of activities to develop and enhance this sector and its contribution to our economy.</p> <p>In relation to Skills, Invest NI and Tourism NI agreed to fund a further phase of the Hospitality and Skills (HATS) Network, complementing the Department’s work on the NI Skills agenda. Tourism NI works with a range of partners such as Hospitality Ulster, Local Colleges, the NI Hotels Federation, and the NI Tourism Alliance on projects where there are mutually beneficial outcomes for the industry.</p> <p>Tourism NI was allocated an additional £3.6 million to mitigate against some of the consequences in its impact assessment of a proposed £9 million reduction in their programme spend.</p>
<b>Social Economy</b>	<p>One response highlighted the need for departments to have more consideration for the social economy including additional support for social enterprises, noting that it is important, to support local communities and especially those with a mind set to develop</p>	<p>DfE recognises the vital role the social enterprise business model plays in reinvesting business profits back into the NI economy, creating social impact in our communities, and reducing the burden on the public purse in the longer term through increased economic participation among</p>

<b>Table 3 – Specific issues Raised</b>	<b>Issues Raised</b>	<b>Departmental response</b>
	their own business using the social enterprise business model.	disadvantaged groups. DfE has committed to maintaining its current level of support for the NI Social Economy Work Programme in this financial year amidst the ongoing financial pressures.

## **5 Next Steps**

Following the closure of the initial consultation period the Department was able to finalise its 2023-24 Budget allocations to its business areas and Partner Organisations. DfE has continued to use the information received in all stages of the consultation to continually revise and review all aspects of departmental spending. It has done this through in-year exercises, reprioritising spending profiles to achieve a balanced budget, while also attempting to mitigate, as far as possible, any adverse differential impact on equality of opportunity or good relations identified through this assessment process.

The Department has sought to mitigate the most significant and adverse impact of its 2023-24 Budget and will continue to review and reprioritise funding where possible for the remainder of the financial year. The very valuable inputs received during the 2023-24 Budget consultation period will form a robust evidence base on which DfE can build upon when considering budget allocations for the 2024-25 financial year.