



Report for: **DECISION**

Item Number:

Contains Confidential or Exempt Information	No
Title	BUDGET STRATEGY AND MTFS 2021/22 TO 2023/24
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Area Committees	All
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Purpose of Report

The operating environment over the course of the last year due to the COVID-19 pandemic has been truly exceptional, during this time the Council has led the local response working across a vast range of areas to ensure its residents, customers and businesses receive the support they need. The Council has been at the forefront of the response to the pandemic, it has extended support to residents in need of assistance ranging from the provision of food to a range of financial measures and initiatives, to ensuring that the businesses of the borough receive financial support as quickly as possible. The Council not only continues to prioritise and focus on the ever changing response work but also has worked to ensure recovery is at the forefront of the Councils agenda as demonstrated through the Economic Recovery Greenprint.

The financial platform for providing this has been challenging in-year. The Council has faced significant pressures in 2020/21, resulting in variances in excess of £20m as the level and mechanism for financial support remained unclear and came

through in a variety of timings and amounts over the 12 months of the year. Ealing Council is now expecting that the amounts provided by Government will cover the majority of the costs and pressures incurred and experienced in year.

The uncertain operating environment and financial challenges faced in year sit against the context of the prolonged reduction in the Council's funding from central government until 2019/20, that has seen since 2010, a loss of 64p in the pound. Previous budgets have however still provided essential budget growth for services and this budget continues to do so, ensuring that both existing service challenges are appropriately funded and that where new demand is forecast, growth is allocated to meet that demand.

This report sets a balanced and sustainable budget for 2021/22, it brings forward new savings and income proposals in addition to those set out in the Budget Strategy report in December 2020 and sets out the proposals to invest in Council services. Significant savings are delivered through Future Ealing I and build on the multiple benefits to date of the having a well-defined, Council wide change programme. The Council has also looked to follow the steer of Government who approved Councils to increase both Council Tax and the Social Care Precept by 1.99% and 3% respectively and use one off funding made available as part of the Settlement to balance its budget for 2021/22.

In total this report sets out investment plans of over £22m for 2021/22, putting new funding of £15m into services including to meet the significant increase in demand inclusive of continued COVID-19 pressures, continued investment in the boroughs highways and footways of £5m and additional investment to support the Council in increasing its recycling rate to tackle climate change.

The report seeks Cabinet approval of the specific revenue budget proposals and the capital programme for recommendation to Full Council at the statutory budget setting meeting on 3 March. The report presents new savings proposals for approval. It presents the refreshed Medium-Term Financial Strategy for approval and provides an update on the economic climate, funding position following the 2021/22 local government finance settlement which set out core funding figures and provides an update on the London Business Rates non-pilot Pool and schools funding. It also seeks approval for the business rates discount for 2021/22.

The report fulfils the legislative requirement for the Section 151 Officer to report formally on the robustness of the estimates, the adequacy of reserves and on the risks in the budget strategy. The report also includes recommendations on treasury management and prudential borrowing for Full Council to approve in order to comply with statutory requirements.

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1. Recommendations

1.1. It is recommended that Cabinet:

Revenue Budget

- 1.2. Approves net savings of £11.142m over the MTFS period 2021/22 to 2024/25, submitted as part of the 2021/22 budget review process. This includes £2.514m savings from the General Fund over the same period of which £7.000m is to be delivered from the General Fund in 2021/22 (section 5.2 and Appendix 2).
- 1.3. Authorises the Executive Director or Director with responsibility for each proposal (including fees and charges) to:
- a) carry out all steps required in relation to each proposal, including carrying out any appropriate consultation;
 - b) consider any consultation outcomes and any other detailed implications,
 - c) complete and consider the implications of any equalities analysis assessment required;
 - d) following completion of 1.3(a), 1.3(b) and 1.3(c) above:
 - i) determine whether or not to proceed with or amend any proposal as appropriate prior to implementation;
 - ii) determine whether or not a further report needs to be considered by Cabinet or the relevant officer or portfolio holder before a final decision is taken on implementation; and
 - iii) where a decision is taken not to proceed with any savings proposal, to bring forward alternative proposal(s) for consideration.
- 1.4. In relation to those savings proposals that are significantly cross cutting across more than one council service, authorises the Executive Director or Director with primary responsibility for the savings proposal in question to complete any required equalities analysis assessments and to consider the outcome of such equalities analysis assessments, and any other cross-cutting implications, following consultation with the Executive Directors or Directors of the other services significantly impacted by the proposals, prior to taking any decisions on whether to implement such savings proposals.
- 1.5. Notes in relation to the authorisations given in 1.3 and 1.4 above that where appropriate any key decisions will be brought back to Cabinet.
- 1.6. Notes the latest Medium-Term Financial Strategy (MTFS) for 2021/22 to 2024/25 (Section 4);
- 1.7. Approves £14.829m of service revenue growth for 2021/22 (paragraph 5.2.2) and authorises the Chief Finance Officer (Section 151), following consultation with the Strategic Leadership Team (SLT), to agree and allocate the service

growth as part of the detailed service budget setting process.

- 1.8. Notes that the Council is in a position to agree a balanced budget for 2021/22 and that any remaining budget gap following the Council Tax decision by Full Council on 2 March 2021 will be closed using reserves.

Fees and Charges

- 1.9. Approves the schedule of fees and charges for 2021/22 (paragraph 5.3 and Appendix 3) and authorises the relevant Executive Director or Director to complete (before implementation) equalities analysis assessment and consider outcomes of the assessment and determine and if appropriate put in place suitable mitigations measures;

Council Tax

- 1.10. Considers the officer recommendation of an increase of 3% for the Social Care Precept and an increase of 1.99% for Council Tax in 2021/22 (paragraph 5.7.1) for recommendation to Full Council on 2 March 2021;

Council Tax Reduction Scheme

- 1.11. Notes the continuation of the current Council Tax Reduction Scheme (paragraph 5.7.14, Appendix 4) for recommendation to Full Council on 2 March 2021;

Council Tax Exemption for Care Leavers

- 1.12. Considers the officer recommendation to provide Council Tax relief to care leavers, effective from 1 April 2021 (paragraph 5.7.21) for recommendation to Full Council on 2 March 2021;

Council Tax Empty Property Premium Charge

- 1.13. Consider the officers recommendation to introduce an additional 300% premium on top of the standard council tax for properties which have been empty for more than 10 years with effect from 1 April 2021 (paragraph 5.7.7);

London Business Rates Pool

- 1.14. Notes the request to Ministry of Housing, Communities and Local Government (MHCLG) for revocation of the pan-London pool designated under the provisional finance settlement from 1 April 2021 (paragraph 5.9.1);

Business Rates Discount

- 1.15. Approves that, pursuant to the Council's powers under Section 47 of the Local Government Finance Act 1988, for 2021/22, the Council will continue to offer a discount in National Non-Domestic Rates (NNDR) of two times the cost of accreditation to the first 100 businesses in Ealing which are, or which become accredited with the Living Wage Foundation and who meet the criteria as set out in the February 2016 Cabinet report: Discretionary Discount Scheme for Businesses accredited to Living Wage Foundation and extend the offer to new

applicants (paragraph 5.9.5);

- 1.16. Authorises the Chief Finance Officer (Section 151) to make determinations in relation to applications for such NNDR discounts, in accordance with the council's adopted criteria;

Schools Budget

- 1.17. Notes the outcome of 2021/22 School Funding Formula changes as agreed in consultation with Schools Forum (Section 7) and authorises the Chief Finance Officer (Section 151) to consider and, following consultation with the portfolio holder for Finance and Leisure to take on behalf of the Council any actions necessary for the Council to fulfil requirements for Dedicated Schools Grant (DSG) budgets;

Housing Revenue Account (HRA)

- 1.18. Notes the HRA revenue budget for 2021/22, as approved by Cabinet on 19 January 2021 (Section 8);

Capital Programme 2021/22 – 2025/26

- 1.19. Notes the new General Fund capital programme additions totalling £7.395m to be approved by Full Council on 2 March 2021 (Section 9 and Appendix 6);
- 1.20. Notes the capital programme additions relating to the HRA (Section 9) that were considered as part of the HRA Business Plan by Cabinet in January 2021;

New Financial Management Code

- 1.21. Notes the requirements of The Financial Management Code and steps being taken to ensure compliance in 2021/22 (paragraph 11.7 and Appendix 11); and

- 1.22. **Endorses and approves the following recommendations to Full Council, on 2 March 2021, that it:**

1. Revenue Budget 2021/22 and Medium-Term Financial Strategy 2021/22 to 2024/25

- a) Considers and approves the Revenue Budget for 2021/22 as summarised in Appendix 1.
- b) Considers the advice of the Chief Finance Officer (Section 151) on the levels of reserves and robustness of estimates in setting the budget as required by Section 25 of the Local Government Act 2003 (Section 11).
- c) Notes the financial risks and pressures set out in the report (Section 4 and Section 15).
- d) Approves the Parking Account 2021/22 (paragraph 5.11 and Appendix 5).
- e) Approves the draft Schools budget of £288.006m and agrees that any changes to the budget reasonably required as a result of the final

2021/22 DSG settlement are delegated for decision to the Executive Director of Children, Adults & Public Health following consultation with the Chief Finance Officer (Section 151) (Section 7).

- f) Approves for the Chief Finance Officer (Section 151) to agree appropriate actions to comply with the revised DSG guidance, including agreeing the appropriate Deficit Recovery plan for DSG (Section 7).
- g) Notes that the General Fund balance is scheduled to remain the same at £15.919m for 2021/22 and notes the forecast levels of earmarked reserves (Section 11 and Appendix 10).

2. Capital Programme 2021/22 – 2025/26

- a) Approves the new General Fund capital programme additions totalling £7.395mm (paragraph 9.3 and Appendix 6) and £0.610m of mainstream budget to be repurposed.
- b) Approves the revised Capital Programme of £1,120.420m (before additions), as set out in Section 9 and Appendix 7.

3. Capital Strategy, Treasury Management and Pension Fund

- a) Approves the Treasury Management Strategy including the associated Prudential Indicators and Annual Investment Strategy (Section 10 and Appendix 9).
- b) Approves the Treasury Management Policy Statement (Appendix 9).
- c) Notes the Chief Finance Officer (Section 151) will implement the Treasury Management Strategy under existing officer delegated powers (Appendix 9).
- d) Approves the Minimum Revenue Provision (MRP) policy (Appendix 9).
- e) Notes that the Council manages the cash on behalf of the Pension Fund and West London Waste Authority in accordance with the Treasury Management Strategy (Appendix 9).
- f) Approves the Capital Strategy (Appendix 8).
- g) Approves the Flexible Capital Receipts policy (Appendix 8).

4. Council Tax and Business Rates

- a) Agrees to recommend to full council the officer recommendation of an increase of 3% for the Social Care Precept and an increase of 1.99% for Council Tax in 2021/22 (paragraph 5.7.1).
- b) Notes the Greater London Authority (GLA) Band D precept of £363.66 for 2021/22 (paragraph 5.6.2).
- c) Notes that the Chief Finance Officer (Section 151) calculated under delegated authority on 31 January 2021 the amount of 117,138.0 as the Council Tax Base, being the number of properties in Bands A-H in the Borough, expressed as an equivalent number of Band D units for the year 2021/22; in accordance with regulation 3 of the Local Authorities Calculation of Council Tax Base Regulations 1992 as amended made under Section 335 and 344 of the Local Government Finance Act 1992 (paragraph 5.7).
- d) Notes the forecast Collection Fund position for 2020/21 (paragraph 5.8)

- e) Notes the Council's share of the business rates income forecast for 2021/22, as approved by the Chief Finance Officer (Section 151) (section 5.9 and Appendix 1).
- f) Approves charge of a 300% premium on top of the standard council tax for properties which have been empty for more than 10 years with effect from 1 April 2021 (paragraph 5.7.7).
- g) Approves the current Local Council Tax Reduction Scheme to continue for the financial year 2021/22 (paragraph 5.7.14, Appendix 4).
- h) Approves and support the payment of council tax by agreeing to fund the Council Tax payable by Ealing care leavers taking up accommodation within the Borough and which would be administered through a local council tax discretionary discount scheme under Section 13A(1)(c) of Local Government Finance Act 1992 (paragraph 5.7.21).

2. Reason for Decision and Options Considered

- 2.1. This is the final update report to Members on the 2021/22 Budget and Medium-Term Financial Strategy (MTFS). It finalises the position since the last budget strategy report to Cabinet in December 2020 and it brings together a number of significant issues for Cabinet decision. The main purpose is to enable Cabinet to consider the budget proposals and make recommendations to Full Council for when it finalises the budget and sets the council tax on 2 March 2021.
- 2.2. The Council has continued to invest in services that experience significant and continued demand pressures, with prioritisation being given to the most vulnerable groups. Due to the complexity of the service provision, against the backdrop of a pandemic, continuing uncertainty of long-term government funding notwithstanding the indicative projected increase in funding as a result of the provisional finance settlement, these services continue to operate in a challenging resource environment where small demand change can lead to material budget variances.
- 2.3. The proposals in this report will contribute to the savings agreed in the budget strategy. Some of the savings proposals will have more detailed implications which will only emerge following consultation or analysis of equalities impacts. Where this is the case those detailed implications will be considered before a final decision is taken on whether or not to implement the proposal, including whether or not a proposal should be amended prior to implementation. Where proposals when considered in more detail result in a lower financial saving, it is the responsibility of the department to find alternative savings to the equivalent value to replace the reduced amount.
- 2.4. Any appropriate consultation in relation to proposals will be carried out as required, at a formative stage, and in accordance with the council's legal duties and responsibilities.

3. Approach to Budget Setting

3.1. The Council's approach to setting the budget was originally set out in the Budget Strategy Report to Cabinet on 13 October 2020 with a subsequent update presented to Cabinet on 8 December 2020.

3.2. Delivering the Administration's Priorities

3.2.1. The budget process is priority-led, aligning the allocation of resources with the priorities of the Administration. There are three key Administration priorities for Ealing covering the 2018/19 to 2021/22 period are:

- Good, genuinely affordable homes
- Opportunities and living incomes
- A healthy and great place

3.2.2. These are supported by nine priority areas which previously have been agreed with local partners in health, education, policing, employment, housing, local businesses and voluntary and community organisations which are delivered through the Future Ealing programme.

3.2.3. Within the 20/21 financial year, the Council has made significant progress in a number of areas, not least the approval of the investment for the delivery of the Council's proportion of the 2,500 genuinely affordable homes through Broadway Living and in adopting the council's Climate and Ecological Emergency Strategy (CEES).

3.3. Future Ealing Outcomes - 2021/22 Budget Approach

3.3.1. The Council has continued to use Future Ealing as a vehicle for delivering the 2021/22 and future years budget strategy.

3.3.2. The 2021/22 Future Ealing budget strategy contains two main strands:

- 1) Future Ealing Outcomes - specific areas of focus.
- 2) Future Ealing Cross Cutting – there four main workstreams (commercial, assets, efficiency and digital) which form the core of the approach.

3.4. Key Objective and Deliverable

- 1) Set and Deliver a Balanced Budget
- 2) Maximise Future Ealing as an Organisational Development approach
- 3) Ensure safe and effective delivery of COVID-19 response.

3.5. **2021/22 Budget Process**

3.5.1. The last update to Cabinet in December 2020 showed a revised indicative budget gap of £27.730m.

3.5.2. As part of the budget process, Future Ealing service outcomes cross cutting and commercial reviews have made significant contribution to addressing the MTFS challenge and the benefits arising from them will cover the entire MTFS period. The table below summarises how the Council is looking to close the 2021/22 budget gap.

Table 1: 2021/22 Indicative Budget Gap as at February 2021

2021/22 Budget Gap as at February 2020	2021/22
	£M
Budget Gap at December 2020	27.730
General Fund Savings (Appendix 2)	(7.000)
Subtotal: Budget Gap including FE process	20.730
Updated grant income assumptions following Provisional Finance Settlement	(3.961)
Covid-19 funding net of cost forecast	(6.176)
Updated income assumptions for Council Tax and Business Rates	(10.593)
Indicative Budget Gap 2021/22 at February 2021	0.000

4. **Medium-Term Financial Strategy (MTFS)**

4.1. **Financial Context and Overview**

4.1.1. The aim of the MTFS is to ensure a stable and sustainable financial position that will allow the Council to achieve its vision and strategic objectives. It reflects the impact of central government funding decisions, analysis of advice and information from various relevant organisations and the impacts of the national and local economic context. It provides a robust financial framework to support achievement of the council's overall objectives and delivery of services.

4.1.2. In broad terms the provisional settlement announcements have been positive for local government, however, there still is a high degree of uncertainty of what the settlement will be beyond 2021/22 due to only a one-year settlement being confirmed. The postponement of funding reforms and the absence of government spending plans mean that there is significant funding uncertainty,

making the preparation of medium-term financial plans highly complicated and speculative.

- 4.1.3. Uncertainty regarding the impact of local government funding reforms (business rates baseline funding reset and the Fair Funding Review) and widely anticipated recession that is likely to follow the pandemic present significant risks. This in turn creates a high degree of uncertainty both within and beyond 2021/22. As such the MTFS and budget strategy is being compiled in a period of unprecedented financial uncertainty and any estimate beyond one-year is very much speculative.
- 4.1.4. In addition to the uncertainty, there is also the potential for significant spending pressures from demand-led services, specifically in the Children with Disability, Children in Care, Adults service, new burdens which impact on the budget and new pressures seen as a result of COVID-19. Although growth has been built into the MTFS to help alleviate some of these pressures, they continue to present a significant budget risk, particularly in respect of the demographic and contractual pressure
- 4.1.5. By design the MTFS is agile and moves to reflect such matters as the changing circumstances faced by the Council, updated priorities and ambitions, the latest financial situation and external factors such as national settlements (section 4). Members are asked to consider and agree the updated MTFS for 2022/23 and beyond as set out in table below, noting that the Council, in common with all local authorities, continues to face a challenging financial outlook. A more accurate forecast will be developed as and when further certainty or information is released by Government, however plans will be prepared for following financial years on the basis of prudent scenarios in the absence of such clarity.
- 4.1.6. Over the last MTFS period the Council's budget approach has been very much on delivering efficiencies in order to deliver a balanced budget in the face of government cuts. At the end of this period the Council has been successful in delivering a savings programme without adversely impacting on the most vulnerable. The MTFS has also been successful in building investment opportunities that have allowed the Council to adequately fund growth pressures resulting from both demographical pressures and also changing in needs of its vulnerable residents. This very much has been the case for managing Ealing's social care pressures, with the Council using its precept powers to raise additional council tax income.
- 4.1.7. Noting the limitations in the ability to determine a budget gap with a reasonable degree of accuracy due to no certainty on future funding, an issue further

compounded due to the uncertainty on services due to the pandemic, table below summarises the MTFS forecast (including budget gap) for the period 2021/22 to 2024/25.

Table 2: Medium Term Financial Strategy Summary

MTFS 2021/22 to 2024/25	2021/22	2022/23	2023/24	2024/25
	£M	£M	£M	£M
Funding	(256.148)	(251.349)	(252.767)	(258.322)
Net Services Expenditure	189.397	189.375	188.376	188.305
Levies	27.696	29.975	30.275	30.825
Inflation	4.083	6.716	11.717	15.717
Contingency	2.000	2.000	2.000	2.000
Corporate Items	25.948	28.601	36.375	53.562
Treasury Management	39.667	39.042	40.234	40.484
Grants Held Centrally	(36.142)	(24.066)	(24.066)	(24.066)
Net Centrally Held Budgets	63.252	82.267	96.534	118.521
Net Budget Requirement	252.648	271.642	284.910	306.826
Contributions to (+) / from (-) reserves	3.500	3.500	3.500	3.500
Net Budget Requirement after Reserves	256.148	275.142	288.410	310.326
Forecasted Budget Gap - Incremental	0.000	23.793	11.850	16.360
Forecasted Budget Gap - Cumulative	0.000	23.793	35.643	52.004

4.2. As set out on 4.1.7 due to the uncertainty of government funding beyond 2021/22 it makes it difficult for the Council to make a realistic estimate of the 2022/23 budget gap and as such the budget gap estimated in table 2 for the moment provides nothing more than an indicator of direction of travel. As the Council understands impacts of any future funding and as government makes us aware the budget gap estimate will be updated making necessary adjustments which will be communicated to Cabinet through regular updates on the Budget Strategy during 2021/22.

4.3. Principles underpinning the MTFS

- Regular monitoring of budgets and robust management actions to address any unplanned variances that arise in-year.
- Appropriate levels of income generated across all areas of the Council, whilst having in place effective debt management processes that allow for prompt collection of sums owed to the Council.
- Prudent assessment of future resources and unfunded cost pressures.
- Production of detailed implementation plans for all savings proposals.
- Maximisation of external grant funding that meets council's priorities.
- Prudent assessment of provisions required to mitigate future liabilities.
- Risk assessed level of reserves and balances held to mitigate potential

financial liabilities and commitments.

- Prudent and planned use of reserves to fund expenditure.
- Maximisation of capital receipts from disposals.
- Effective forecasting and management of the council's cash flow requirements.
- Full integration of revenue and capital financial decision processes, to ensure the revenue implications of capital projects are appropriately reflected in the MTFS.
- Effective management of treasury management risks, including smoothing out the debt maturity profile and borrowing only when necessary (in accordance with Treasury and Capital Strategies).
- Prudent and proportional use of the council's borrowing powers to undertake capital investment that is not funded by capital receipts or contributions from third parties.

4.4. **Provisional Financial Settlement**

4.4.1. The provisional local government finance settlement was announced on 17 December 2021 for one-year only and reconfirmed previous announcements included within the 2020 Spending Round (November 2020) and the local government technical consultation (December 2020). The provisional settlement included the following key announcements;

a) Health and Social Care:

- Continuation of a number of specific grants in 2020/21 such as such as the Improved Better Care Fund, Children's & Adults social care support grant and Independent living Fund.
- Additional £300m Social Care Grant in 2021/22

b) Education and Skills

- Schools Budget will increase by £2.2bn in 2021/22 (in line with previous commitment)
- £1.4bn of education funding, including funding for schools in England to help children catch up on lost learning and supplementary support for free school meals
- £44m for early years education in 2021/22 to increase the hourly rate paid to childcare providers for the government's free hours offers.
- £220m to deliver Holiday Activities and Food programme including provision of healthy meals for disadvantaged children in the Easter, summer and Christmas holidays in 2021.

c) Welfare

- National Living Wage (NLW) and National Minimum Wage (NMW) increases from April 2021:
 - NLW - 2.2% for individuals aged 23 and over from £8.72 to £8.91
 - NMW - between 1.5% to 3.6%, depending on age and role

d) Local Government

- Revenue Supports Grant to increase inline with CPI (£13m)
- Business Rates Retention – multiplier frozen
- Councils will be able to increase their core council tax threshold by 1.99% and Adult Social Care precept by 3% with an option to defer some or all of the precept increase to 2022/23.
- Continuation of the New Homes Bonus (NHB) grant for a further year with additional £622m to be distributed to authorities. Government to publish delayed consultation on the NHB reform with a view to implementing changes in 2022/23.
- New Lower Tier Services (un-ringfenced) Grant of £111m
- Implementation of the Domestic Abuse Bill - £125m (local authority allocations not yet confirmed)

e) Housing:

- Homelessness Prevention grant and Homelessness Reduction grant are combined in 2021/22 as Homeless Prevention grant and the allocation awarded to Ealing for 2021/22 is £5.667m.
- Rough Sleeper Initiative Funding. Details of local authority allocations to follow.
- Rough Sleeper Accommodation Programme – details for 2021/22 are yet to be confirmed.

f) 2021/22 Covid-19:

- Un-ringfenced Covid-19 expenditure pressure grant tranche 1 - £1.55bn
- New Local Council Tax Support Grant in recognition of increased costs of local schemes following the pandemic - £670m
- Local Tax Income Guarantee - compensate councils for 75% of irrecoverable council tax and business rates losses (£762m)
- Sales, Fees and Charges Compensation Scheme extended to end of June 2021

4.4.2. The final settlement will not be known until mid to late February 2021. The longer-term comprehensive spending review (CSR) has been delayed with more immediate challenge of the new COVID-19 strain dominating governments attention.

4.4.3. As set out in 4.1 above, the overall announcements are positive if not short term for local government and Ealing however initial interpretation of the new local tax income guarantee compensation scheme suggest that Ealing will still be left with significant financial risk as a result of the way in which the income loss is calculated. There are marked differences in the ways in which the schemes compensate Councils for both Council Tax losses and for Business Rate losses that make an accurate assessment unnecessarily difficult.

4.4.4. The general national and local health of the economy has both direct and indirect impacts on the Council's medium-term financial strategy. The CSR

usually will provide funding outlook over the short to medium term considering the latest economic performance and projections of e.g. GDP, borrowing, taxation levels and employment rates. A one-year spend review makes it difficult to assess the financial impact of the current MTFS assumptions in the medium term. It is even made more difficult due to the pandemic and its impact in the long term on national and local economy.

- 4.4.5. Whilst the Council has seen an increase in the funding from central government in 2020/21 and 2021/22 (including the use of Council Tax and Precept powers as included in Core Spending Power), many service pressures continue to increase. Social care and SEND demand and increasing complexity of care needs continue to drive growth requirements along with increasing housing and accommodation challenges. As an example, in Adults Social Services alone the Council continues to spend over £0.205m per day (equivalent to £6.235m per month) providing care for eligible residents.
- 4.4.6. On 17 December the Chancellor announced to publish governments budget on 3 March 2021 which would look to set out the next phase of the plan to tackle COVID-19 and protect jobs and will be published alongside the latest forecasts from the Office for Budget Responsibility (OBR).

4.5. **Budget Planning Assumptions**

Council Tax and Social Care Precept Options

- 4.5.1. The MTFS assumes council tax will be raised by the officer recommended maximum 4.99% (including a 3% rise in the social care precept) in 2021/22. This will increase the level of Ealing's council tax from £1,571.22 to £1,664.65 at Band D. No council tax increases are assumed in future years. However, it should be noted that the Council Tax level is subject to an annual Full Council decision which may vary from this assumption. As such, the MTFS assumes no increases to council tax beyond 2021/22.
- 4.5.2. Each year the government determines the limit at which council tax increases would be excessive and therefore require a referendum. The referendum limit for 2021/22 is 1.99% for core Council Tax and up to 3% for the Social Care Precept. These amounts are included in the Government Core Spending Power values for Councils and much of the increase on Core Spending Power announced was made up from these tax increases.
- 4.5.3. The financial value of additional income to Ealing of each 1% increase in Council Tax is approximately £1.451m. The table below shows the weekly impact of each rise on the Band D value of Council Tax.

Table 3: Council Tax Scenarios

Council Tax Precept Increase (including Social Care Precept)	Ealing Band D Council Tax (£)	Weekly Band D Increase Impact	Annual Band D Increase Impact (£)
0.00%	1,239.15	0	0.00
1.00%	1,251.55	23.8p	12.40
2.00%	1,263.94	47.5p	24.78
3.00%	1,276.33	71.1p	37.18
4.00%	1,288.72	95.1p	49.57
4.99%	1,300.99	118.6p	61.84

London Business Rates Pool

4.5.4. A collective decision has been taken by all 32 London boroughs, the City of London Corporation and the Greater London Authority to dissolve the London Business Rates Pool at the end of 31 March 2021. The main driver for this is due to the potential financial benefits of pooling business rates across London next year are greatly outweighed by the risks due to the ongoing impact of the pandemic on London's businesses. Following on from the letter sent to MHCLG on 23 December setting out these concerns, the London Mayor has now written to MHCLG on 12 January communicating this decision and formally requesting for the pan-London pool, included in the provisional financial settlement to be revoked.

4.5.5. The MTFS assumes no benefit from the pool arrangements thus there is no negative financial impact of this decision to the pool.

Retained Business Rates

4.5.6. From 1 April 2021 the locally retained retain share will continue to be 67% of the business rates income (37% GLA and 30% Ealing's share) which will not change following cessation of the London business rates pool.

Government Grants

4.5.7. The provisional finance settlement confirmed allocation of the following grants details of the grants and MTFS assumptions are summarised below:

a) New Homes Bonus (NHB)

The government have confirmed a one-year continuation of the 2020/21 scheme with a view to launching the delayed consultation to discuss future funding and grant allocation methodology with a view to implementing reform in 2022/23.

b) Improved Better Care Fund (iBCF)

The provisional finance settlement confirmed the Council's final allocation

of iBCF for 2021/22 will remain at the same level as 2020/21. Councils are able to spend the grant as soon as plans have been locally agreed with Clinical Commissioning Groups (CCG). Ealing has agreed a local plan and the funding will be used to support the delivery of adult social care placements. The MTFS assumes this grant will continue.

c) Children's and Adults Social Care Grant

The provisional finance settlement confirmed continuation of Adult and Children's Social Care Grant in 2021/22, remaining at the same level as 2020/21. The MTFS assumes this grant will continue.

d) New Social Care Grant

For 2021/22 the provisional settlement announced an additional allocation of £1.873m for social care support for Ealing. The MTFS assumes this grant is one-off.

e) New Lower Tier Service Grant

For 2021/22 the provisional settlements announced a new one-off unconditional grant allocation of £0.725m.

f) COVID-19 General grant (non-ringfenced)

For 2021/22 the provisional settlements announced a new one-off unconditional grant allocation of £10.176m.

Table 4: Grants Held Centrally

Grant	2021/22 Budget £M	MTFS Forecast £M		
		2022/23	2023/24	2024/25
New Homes Bonus	(6.694)	(1.520)	(1.520)	(1.520)
Improved Better Care Fund	(12.307)	(12.307)	(12.307)	(12.307)
Children's and Adults Social Care Grant	(8.367)	(8.367)	(8.367)	(8.367)
New Social Care Grant	(1.873)	(1.873)	(1.873)	(1.873)
New Lower Tier Service Grant	(0.725)	0.000	0.000	0.000
General Fund Grants Retained Centrally	(29.966)	(24.066)	(24.066)	(24.066)
COVID-19 General Grant	(10.176)	0.000	0.000	0.000
COVID-19 Council wide spend	4.000	0.000	0.000	0.000
COVID-19 General Grant Retained Centrally	(6.176)	0.000	0.000	0.000
Total Centrally Held Grants	(36.142)	(24.066)	(24.066)	(24.066)

Budget Factors

4.5.8. The table below sets out the pressures that could have an impact on the budget.

Table 5: Factors that are likely to impact the Budget

Factors	Impact
Delivery of agreed savings	The budget for 2021/22 and over the medium term requires the Council to deliver on all the savings set out in this report. These savings will be closely monitored on a regular basis throughout the financial year to ensure that they are on track to be achieved. Where savings are unlikely to be achieved then substitute proposals will need to be taken to ensure the overall budget can be achieved.
Inflation differing from assumptions	Included within the provisional settlement was the announcement by government to freeze pay for all public sector workers with the exception of those on minimum pay. As the National Joint Committee (NJC) is still negotiating with representative of public sector unions. At the time of setting the budget for 2021/22 the pay award is unknown. The MTFs has assumed pay increase to be at same level as 2020/21 estimated to be c£3m leaving a small central pot to allocate for any price inflation.
School Pay inflation and associated on-costs	This can result in additional pressures on schools' budgets that can lead to pressures manifesting through either increase in school deficits and/or DSG overspend.
Contractual risks	For example, contractor viability, non-delivery of commissioned services
Demographic and demand-led pressures	<p>a) Children's and Adults Service The Children's and Adults' budgets are under great pressure due to the demand led nature of these services. One of the main risks in the budget relates to demographic change:</p> <ul style="list-style-type: none"> • Adults – Residents are living longer, and many have increasingly complex care needs. Although the council has good monitoring and forecasting tools, it remains extremely difficult to forecast both numbers and need resulting in a risk that current forecasts could be understated, that may give rise to budget pressures. • Children's – There are ongoing pressures in respect of expensive care placements due to the increased complexities of children in care. There also remain pressures in respect of SEN transport relating to the increased EHCP outcomes that results in more children requiring support. <p>b) Homelessness There is a risk that levels of homelessness increase in the borough with the subsequent requirement for the council to support individuals in Temporary Accommodation.</p>
Income	Levels of councils' income are impacted by individual's responses to the economic climate, as people may cut back on areas of discretionary spending. This could impact on levels of rental (HRA and temporary accommodation), planning, property and car park income. In addition, leisure services income could reduce.
School Expansions	Pressures caused by steeply increasing pupil numbers. Lack of adequate places in borough would lead to increase in out of borough placements,

Factors	Impact
	which can lead to pressures being seen across the SEN placement and transport budgets.
Academisation	Pressures caused by schools who are required to move to Academy status and the resultant financial liability upon transfer being the responsibility of the Council i.e. the Council having to fund any school deficit balances upon transfer.
Legal Challenge over 'sleep-in' payments	Legal Challenge over backdated pay relating to sleep-ins for social care residential settings.
Levies paid to external bodies	Levy payments are outside the Council's control and need to be met from its budget requirement. Key cost drivers leading to any budget pressure will be due to; <ul style="list-style-type: none"> • volume-led levy payments such as the West London Waste 'Pay as You Through' (PAYT) • inflation and cost increases above inflation assumed within the MTFS
Pension Fund	Employer contributions into the Pension Fund can fluctuate depending on the net liability of the fund and an agreed deficit repayment plan. An actuarial review of the pension fund assets and liabilities is carried out every three years with the outcome feeding into the MTFS for the following three years.
Government Grant income differing from assumptions	With the Local Government Finance Settlement only announcing one-year funding announcements it is difficult to ascertain if grants are to continue at what level and its impact. The government has announced a consultation in Spring 2020 to set out future funding proposals for 'New Homes Bonus' and has released the New Homes Bonus to only continue for a year
Business Rates Revaluation	In April 2017 the latest business rates revaluation came into effect. Whilst council premises were impacted by the rises in business rates in the borough, with a 12.5% rise in rateable values on average, there was also remains a risk of an overall reduction in the council's income from business rates due to the volatility of appeals and impact of COVID-19.
Fair Funding Review and Business Rates Baseline Reset	Central government is fundamentally reviewing funding baselines and allocation formulae for all local authorities originally planned to be implemented in April 2021 but deferred to due to COVID-19. This means there is significant uncertainty regarding Ealing's funding baselines for future years.
Brexit	a) The financial impact of UK exiting European Union (EU) on 31 December 2019 are not yet fully known but impacts driven through supply chain could have an impact on council finances i.e. price increases, impact on operational delivery of capital schemes, impact on providers delivering services on the council's behalf. b) School place planning is becoming an issue for the Council and Ealing schools. Significant variance can be seen for primary school places in particular areas of the borough with marked drop in demand, birth rates

Factors	Impact
	and also reductions in polish speaking children indicating a shift away from Ealing. The latter is likely to be more directly linked to the UK leaving the existing EU. Secondary school places also remain a pressure while primary school bulges still move through.
COVID 19	<p>a) The impacts of the new COVID-19 variant is not fully known and as such there is a level of risk when setting the budget that Council may be exposed to unfunded financial pressure in-year.</p> <p>b) The new income loss compensation scheme announced for council tax and business rates does not fully cover the losses the Council is estimating for the year 2020/21. This leaves the Council with an unfunded liability of c£4m in years 2022/23 and 2023/24 which will need to be addressed in order to set a balanced budget.</p> <p>c) Potential long-term impact on the local economy, particular in relation to business rates income and fees and charges can pose a considerable budget pressure which without any government support can expose the Council to a liability that may require to put in place a transformational savings plan alongside seeking financial support from the government.</p>

4.6. Monitoring and Review

- 4.6.1. Cabinet receives regular budget update reports during the year on how the Council is progressing against its MTFS. All processes and procedures relating to the monitoring of the budget are set out in the Council’s Financial Regulations.
- 4.6.2. The strategy is published on the Council’s website and communicated to staff and stakeholders.

5. 2021/22 General Fund Revenue Budget

5.1. The Council’s General Fund Revenue Budget and Capital Programme proposals are the outcome of work that has been underway for the Future Ealing Programme since April 2018 through the budget and service review process. Appendix 1 provides a summary of the 2021/22 Revenue Budget.

5.2. 2020/21 Budget Assumptions

5.2.1. Budgets reflecting cost increases identified between 2020/21 and 2021/22 have been prepared in consultation with the Chief Finance Officer (Section 151), Strategic Leadership Team (SLT), Budget Strategy Group (BSG), service budget leads and other officers within the Council’s departments. For 2021/22 there has been no automatic inflationary increase of budgets. The assumptions are set out below:

- a) Inflation – The overall inflation fund set aside centrally is for both pay and contractual inflation. Even though the CSR announced no pay inflation for public sector workers (with the exception of those at minimum wage), there has been no announcement from National Joint Committee (NJC) following the outcome of negotiation with public sector unions to agree 2021 pay inflation. Pay increase will be prioritised against the funds initially with the remaining budget being made available to fund any contractual increases. The Commercial Hub will lead on reviewing and assessing the contractual inflation and upon their recommendation appropriate inflation will have to be applied.
- b) Income - a review was undertaken of fees and charges as part of the 2020/21 budget process. For 2021/22 increases are recommended in response to cost inflation pressures on the underlying service delivery budgets and to ensure that charges are set to recover costs (except for those that are set under statute).

Growth Proposals

5.2.2. As outlined in October 2020 report to Cabinet a provision of £14.829m has been made centrally to fund a range of demographic, inflationary, new service, grant loss, service income pressures and undeliverable savings.

Table 6: Centrally held service growth

2021/22 Growth held Centrally	£M
New Service	1.875
Demographic	9.863
Inflationary Pressures	0.580
Grant Loss	1.052
Service Income pressures	0.883
Savings	0.576
Total	14.829

5.2.3. The service growth is derived from sensitivity budget modelling, with the ‘realistic’ case assumptions being included within the budget. The growth budget being set aside is to fund key service growth but not to the value of the forecast increase based on the third quarter monitor for 2020/21, in particular placements costs for Children with Disabilities (CWD) and SEN transport as being reported in the Budget Update 2020/21 report to the same Cabinet meeting.

5.2.4. Following consultation with the Strategic Leadership Team (SLT) the Chief Finance Officer (s151) will agree bids as part of the detail service budget setting process, which will be concluded for start of the new monitoring period in 2021/22.

5.2.5. Social care precept growth will be used to fund Adult Services inflationary pressures and service growth items. The additional funding for Adults and Children's social care has been used to replace the unsustainable use of reserves to fund their position and the significant growth allocated to those budgets in previous years. This has enabled Ealing to set a balanced budget without the use of a planned transfer from reserves.

New Saving proposals

5.2.6. Members should note that the net savings proposals are presented as incremental changes to the 2021/22 base budget. Each subsequent year's proposals are then shown as incremental changes to the preceding year.

5.2.7. Officers have continued to work on proposals to close the gap across a range of Future Ealing Outcomes and specific service programmes. In total there are £11.142m of savings agreed or proposed as part of this report, of which £2.514m relate to the General Fund. Details are contained with Appendix 2 with saving proposals now presented for approval at this meeting are set out in Tables 7 to 10.

Table 7: Summary of Saving Proposals

Savings Summary	2021/22	2022/23	2023/24	2024/25	Total MTFS Savings
	£M	£M	£M	£M	£M
General Fund Savings	7.000	(4.581)	0.074	0.021	2.514
Savings Funded from HRA ¹	0.746	0.442	0.000	0.000	1.188
Digital Programme Savings	0.091	0.127	0.168	0.000	0.385
Cost Avoidance Savings	3.516	2.610	0.479	0.449	7.055
Total Gross Savings	11.353	(1.402)	0.720	0.471	11.142

¹Includes digital programme saving funded from HRA

Table 8: Net Saving Proposals relating to General Fund

Outcome Review / Modern Council	2021/22	2022/23	2023/24	2024/25	Total MTFS Savings
	£M	£M	£M	£M	£M
Outcome Reviews					
Demand Management & Effectiveness	0.846	(0.600)	0.000	0.000	0.246
Efficiency & Productivity	1.607	(0.771)	(0.009)	(0.009)	0.818
sub-total	2.453	(1.371)	(0.009)	(0.009)	1.064
Modern Council					
Efficiency	0.726	0.000	0.000	0.000	0.726
Income and Debt	1.312	(1.190)	0.000	0.000	0.122
Assets	0.100	0.263	0.083	0.030	0.475
Commercial	0.157	(0.030)	0.000	0.000	0.127
Technical	2.252	(2.252)	0.000	0.000	0.000
sub-total	4.547	(3.209)	0.083	0.030	1.450
Total General Fund	7.000	(4.581)	0.074	0.021	2.514

- 5.2.8. The savings included in Table 8 above show savings net of investment requirement delivered through the General Fund. Whilst Table 9 below shows funded from the Housing Revenue Account (HRA) and Digital Programme.

Table 9: HRA Funded & Digital Programme savings proposals

Outcome Review / Modern Council	2021/22	2022/23	2023/24	2024/25	Total MTFS Savings
	£M	£M	£M	£M	£M
HRA Funded					
Outcome Review: Efficiency & Productivity	0.650	0.350	0.000	0.000	1.000
Modern Council: Digital	0.096	0.092	0.000	0.000	0.188
sub-total	0.746	0.442	0.000	0.000	1.188
Digital Savings:					
Modern Council: Digital	0.091	0.127	0.168	0.000	0.385
sub-total	0.091	0.127	0.168	0.000	0.385
Total HRA Funded and Digital Savings	0.837	0.569	0.168	0.000	1.573

- 5.2.9. Table 10 shows the proposals for savings that are proposed to be delivered through a cost avoidance, reduction or containment programme. Majority of the savings through the cost avoidance programme are in relation to Children's services.

Table 10: Cost Avoidance/Containment/Reduction Proposals

Outcome Review / Modern Council	2021/22	2022/23	2023/24	2024/25	Total MTFS Savings
	£M	£M	£M	£M	£M
Outcome Reviews					
Efficiency & Productivity	3.408	2.610	0.479	0.449	6.947
sub-total	3.408	2.610	0.479	0.449	6.947
Modern Council					
Commercial	0.108	0.000	0.000	0.000	0.108
sub-total	0.108	0.000	0.000	0.000	0.108
Total Cost Avoidance Savings	3.516	2.610	0.479	0.449	7.055

5.3. Fees and Charges

5.3.1. The council charges for a range of services. Approval of fees and charges is dependent on relevant legislation so decisions may be made by Cabinet, General Purposes Committee or by officer decision under delegated authority.

5.3.2. Any significant changes must take into account, from an equality's perspective, the impact on paying customers of not only the proposed change in question but also of changes to other council fees and charges for which that individual may be liable. Responsible directors will undertake an equalities analysis assessment of fees and charges proposals prior to taking the final decision on whether to implement. Any adverse implications will be identified and mitigation measures put in place. Where appropriate mitigation is not possible then it will be for the service director to consider whether it is still reasonable in all the circumstances for the proposed changes to go ahead.

5.3.3. The Council's approach to setting fees and charges for 2021/22 has been to increase any discretionary charges (where possible) by inflation or inline with previously approved savings or to recover full costs. As part of the FE programme, reviews are planned during 2022/23 as part of council's continuous assessment of recovery of full costs.

5.3.4. The proposed fees and charges schedule for 2021/22 is attached as Appendix 3.

5.4. Specific Grants

5.4.1. In 2020/21, Ealing is estimating received of approximately £70m in specific government grants excluding DSG, COVID-19, housing benefit payments and monies for Public Health responsibilities.

5.4.2. At this point, not all government grants have been announced for 2021/22. Ealing is therefore awaiting notification of what some grants will be in 2021/22 e.g.;

- Discretionary Housing Payments (DHP)
- Domestic Abuse Grant - New additional funding to deliver the new duty to support victims of domestic abuse and their children in safe accommodation in England.
- Public Health Grant
- Independent Living Fund (ILF)
- Rough Sleeping Initiative Grant
- Rough Sleeping Accommodation Grant

5.5. Levies

5.5.1. Levies in 2021/22 make up 10.99% of the Council's net budget. Set out in Table 11 are details of the levies which, although outside of the Council's direct control, need to be considered when setting the budget and council tax. At the time of writing final figures are still awaited; any adverse changes will be met by a balancing adjustment on council-wide budgets held centrally. The main change in levies is to do with concessionary fares as a result of reduction in number of passenger journeys over the last years which has been used by London Councils to determine an estimate for the following year. The budget reduction has been included as one-off saving to be approved by Cabinet.

Table 11: Provisional Levies Budget

Authority	2020/21 Budget	2021/22 Indicative	Movement		Provisional / Final
	£M	£M	£M	%	
Concessionary Fares	15.668	13.416	(2.252)	(14.37%)	Provisional
West London Waste Authority	12.810	12.835	0.025	0.20%	Provisional
London Pension Fund Authority	0.400	0.411	0.011	2.75%	Provisional
Coroners Service	0.441	0.453	0.012	2.75%	Provisional
Lee Valley Regional Park Authority	0.299	0.307	0.008	2.75%	Provisional
National Rivers Authority	0.267	0.275	0.007	2.75%	Provisional
Total	29.884	27.696	(2.188)	(7.32%)	

5.6. Greater London Authority Precept

5.6.1. The Mayor of London issued a consultation document on 4 January 2021 proposing an increase in the council tax precept of £31.59p from the 2020/21

level of £332.07 per Band D council taxpayer, rising to £363.66 in 2021/22. The precept represents 21.85% of the overall headline council tax bill. At the time of writing the Greater London Authority's (GLA) final draft budget is scheduled to be considered by the London Assembly on 25 February 2021. Should the Assembly agree a precept other than the amount set out in this report, which is considered unlikely, then a revised Council Tax Resolution will be tabled at the Full Council meeting on 2 March 2021. Otherwise, the amounts in this report are final.

5.6.2. The amount of GLA precept per council tax band is set out in Table 12.

Table 12: GLA Proposed 2020/21 Council Tax by Band D

Valuation Band	A	B	C	D	E	F	G	H
£	£242.44	£282.85	£323.25	£363.66	£444.47	£525.29	£606.10	£727.32

5.7. Council Tax

Council Tax Base

5.7.1. The council tax base is the number of properties in Bands A-H in the borough expressed as an equivalent number of Band D units. The Chief Finance Officer (Section 151) has calculated under delegated authority in January 2021 the amount of 117,138.0 as the council tax base for the year 2021/22 at a collection rate of 98%.

Council Tax Increase 2021/22

5.7.2. Each year the government determines the limit at which council tax increases would be excessive and therefore require a referendum. The referendum limit for 2021/22 is 1.99% for core Council Tax and 3% for the Social Care Precept.

5.7.3. Final decisions on the budget and council tax will be taken on 2 March 2021 by Full Council. The level of council tax is a matter of political judgment, having due regard to the professional advice of officers, and in particular to the advice of the Chief Finance Officer (Section 151) on the robustness of the budget and on reserves and balances.

5.7.4. Over the last decade the Council has successfully delivered low council tax levels significantly below both the national and outer London average and high-quality services with 2018/19 being the first rise in Ealing's element of Council Tax in eight years. However, for 2021/22, in order to deliver a balanced budget, the MTFs is based on a recommended increase of the Adult Social Care Precept by 3% and the core Council Tax by 1.99%. This increase is necessary to mitigate the impacts of ongoing social care pressures and inflationary increases. The council tax income that will be generated estimated to be

around £7.243m but this is not sufficient to replace loss of income due to increase Council Tax Reduction caseload, or to compensate for increased pressures across social care, SEND and housing.

- 5.7.5. Table 13 sets out the Indicative Basic Amounts of Ealing's council tax for 2021/22 excluding GLA based on the 3% Social Care Precept increase plus a 1.99% Council Tax increase. Officers recommend that this increase is necessary to mitigate the impacts of inflationary cost pressures and social care growth.

Table 13: Ealing's Proposed 2020/21 Council Tax by Band D

Valuation Band	A	B	C	D	E	F	G	H
£	£867.33	£1,011.88	£1,156.44	£1,300.99	£1,590.10	£1,879.20	£2,168.32	£2,601.98

- 5.7.6. For every 1% increase in the 2021/22 council tax, an additional £1.451m council tax revenue is raised and therefore for every 1% variation in the proposed council tax increase, further savings of £1.451m would be required.

Council Tax Empty Property Premium

- 5.7.7. From April 2013 the Government introduced new legislation allowing for authorities to charge a premium on top of the normal council tax for dwellings that have been empty and substantially unfurnished for at least two years (excluding those exempted from paying such as those under probate or where occupation is prohibited by law). This allowed Ealing to introduce a premium of 50% to be added to the Council Tax bill. The drive behind this was to reduce the number of properties left empty for long periods of time, to bring back into use particularly given the challenges of housing shortages seen in many areas.
- 5.7.8. In 2018 the Government announced the extension of the empty property premium to double the amount of the premium to be levied and allow Local Authorities to charge 100% additional amount from 1st April 2019. This was contained in Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.
- 5.7.9. This charge could be levied on all long-term empty properties that had been empty for more than 2 years. Full Council on 26 February 2019 agreed to charge a 100% premium (increased from 50% extra) on top of standard council tax for properties which have been empty for more than 2 years with effect from 1st April 2019.
- 5.7.10. Further to this change, the new Government Bill introduced formal legislation for this premium to be extended to allow authorities to charge a 200% premium from April 2020 for properties empty over 5 years and then 300% premium

from April 2021 for properties empty over 10 years.

- 5.7.11. From April 2020 Ealing Full Council decided that in addition to the 100% premium being charged on properties empty over 2 years be able (subject to full council resolution) charge a further 100% (300% in total) for those properties empty for more than 5 years.
- 5.7.12. The proposal now is to further extend this charge in line with legislation with a 300% premium to be charged (400% in total) for all qualifying properties empty for more than 10 years with effect from 1st April 2021.
- 5.7.13. The recommendation is to extend the Empty Property Premium Charge to 300% premium for those properties Empty for more than 10 year.

Localised Council Tax Reduction Scheme

- 5.7.14. On 25 February 2020, the Council ratified a new Council Tax Reduction (CTR) scheme effective from April 2020. The scheme is based on income bands and replaced previous means tested scheme.
- 5.7.15. Key features of the current scheme are:

1. **Key feature 1:** Entitlement to CTR to be calculated based on income bands and on the net income of the applicant and their partner (if they live with one).

Vulnerable and Household Vulnerable groups have been merged into one Protected category. This ensures that the proposed scheme continues to protect the following groups:

- Lone parents with a child under 5 years of age
- Those in receipt of a disability benefit, Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, Attendance Allowance or Disability Living Allowance
- Those in receipt of Universal Credit which includes one of the following elements: limited capability for work, limited capability for work related activity, disabled child or carer
- Care leavers under the age of 25
- Those in receipt of an Armed Forces Independence Payment
- Carers in receipt of Carer's Allowance or have an underlying entitlement to it

The current, income banded scheme provides maximum 100% reduction for applicants who fall into the protected category and 75% for all other applicants.

Under the income banded scheme, the calculation of entitlement has been simplified. All state benefits including tax credits are disregarded. Applicants receive a discount based upon the level of their net income as set out in the table below.

Table 14: CTR Scheme Income Bands

Band	Protected		Non-protected	
	Income Bands (weekly income)	% of Council Tax Reduction	Income Bands (weekly income)	% of Council Tax Reduction
1	£0.00 - £119.99	100	£0.00 - £119.99	75
2	£120.00 - £139.99	75	£120.00 - £139.99	60
3	£140.00 - £159.99	60	£140.00 - £159.99	50
4	£160.00 - £179.99	50	£160.00 - £179.99	40
5	£180.00 - £199.99	40	£180.00 - £199.99	30
6	£200.00 - £219.99	30	£200.00 - £219.99	20
7	£220.00 - £239.99	20	£220.00 - £239.99	10
8	£240.00 - £259.99	10	£240.00	0
9	£260.00	0		

The income bands will be uprated in line with September 2020 CPI which was 0.5%.

Claimant's Council Tax Reduction entitlement changes only if their earned income change is sufficient to move them from one band to another.

2. **Key feature 2:** Non –dependant deductions have also been simplified and levels of reductions have been reduced from five levels to only three. Non-dependants are other adults living in the property as a part of the household who are not liable to pay rent or Council Tax. The level of deductions in the current scheme is as follows:

- £6.50 per week for those not in work
- £12 per week for those in work earning below £183 per week
- £18 for those in work earning above £183 per week

The non dependant deductions will be uprated in line with September 2020 CPI which was 0.5%.

Under the current scheme, the non-dependant deductions do not apply if the claimant or partner is in receipt of care element of Disability Living Allowance/ Personal Independence Payment or if a non-dependant is a full time student.

3. **Key feature 3:** Under the current scheme one universal earning disregard of £30 per week (amount of money ignored from the earned income) is applied for couples and households with children. The earnings disregard does not apply to single persons as the income bands under the scheme are more generous for singles than the means test under the current scheme.

The disregard will also be updated in line with September 2020 CPI index.

4. **Key feature 4:** No Council Tax Reduction is awarded to an applicant if their entitlement is less than £2 per week. It ensures the efficient use of the Council time and resources.

Transitional arrangements have been in place since April 2020 to ensure that those who were in receipt of Council Tax Support under the means tested scheme prior to April 2020 did not see significant changes to their entitlement when migrating onto the new scheme. All changes to entitlement which were a result of migration were capped to £2 per week.

At the point of migration, the transitional capping applied to 3,392 cases, however the number of cases where the capping applies has reduced due to changes in customers' circumstances and the transitional capping currently applies to 2,464 cases which is 9.69% of current caseload.

Transitional arrangements apply for a period of two years from April 2020 and they will come to an end for existing claimants at the end of March 2022.

CTR Caseload:

- 5.7.16. Between April 2013 when the local Council Tax Support/Reduction replaced the national Council Tax Benefit scheme and March 2020 the CTR caseload was decreasing year on year across all groups of claimants.
- 5.7.17. Small decreases in pensioner caseload were attributed to the changes in pensionable age. Decreases in working age customers were attributed to improving economy and more people entering employment.
- 5.7.18. From March 2020, there has been a sharp increase in working age residents claiming Council Tax Reduction. This is due to Covid-19 and its impact on the economy and increasing unemployment. The changes in caseload, in comparison to last year has been demonstrated in the table below.

Table 15: CTR caseload Numbers

Scheme Group	2019/20	2020/21	Increase (%)
Pensioner	8,189	8,055	(1.64%)
Working age non/protected (non-vulnerable)	6,246	8,609	37.83%
Working age protected (vulnerable)	8,051	8,769	8.92%
Total	22,486	25,433	13.11%

CTR expenditure:

- 5.7.19. The increases in caseload has also resulted in a significant increase in CTR expenditure. The expenditure on working age group has increased by £2.6MLN. The breakdown of expenditure per pensioner and working age scheme and how it has changed in comparison to last year has been included below.

Table 16: CTR caseload Expenditure

Scheme Group	2019/20 £M	2020/21 £M
Pensioner Scheme	10.077	10.110
Working Age scheme	14.444	17.043
Total	24.521	27.153

- 5.7.20. Full Council will be considering the decision to continue with the scheme from 1 April 2021 at the Full Council meeting on 2 March 2021.

Council Tax Discount for Care Leavers

- 5.7.21. The Council is committed to improving the life chances of looked after children and care leavers and provides a range of support to children and young people leaving care. The exemption from paying council tax up to the age of 25 is seen as a further opportunity to provide financial support to care leavers transitioning from care into independent living.
- 5.7.22. A discretionary relief is awarded to Ealing care leavers aged between 18 and 24 years old who are liable for council tax in the borough as part of local offer for Care Leavers. To be eligible the care leaver must be liable for council tax in Ealing and have previously been in the care of Ealing Council.
- 5.7.23. Relief is applied after all other discounts are awarded and only if an amount remains to be paid for council tax. The relief is awarded up until the end of the current financial year or on the care leaver's 25th birthday, whichever is earliest. Eligible care leavers are identified by the Council and relief is awarded automatically with no application needed.

5.7.24. Criteria to be used for the scheme are;

- 1) Funding will be provided for 18 to 25 years old leaving care in Ealing
- 2) Funding will be provided to qualifying care leavers with a Council Tax liability in Ealing
- 3) The award will be to cover 100% of the council tax liability after deductions for the Single Person Discount (SPD) or other disregards or exemptions

5.7.25. The cost of any discount will fall on the overall Collection Fund. The estimated additional cost to the collection fund is approximately £0.021m and relates to the current caseload of 58 placements following application of student exemption, Single Person Discounts and council tax reduction award. The financial impact of the caseload and cost to the collection fund will be monitored as part of the in-year process. For 2021/22 the budget held by Children's and Schools service will transfer to the collection fund.

5.8. **Collection Fund**

5.8.1. Statutory regulations require councils to account for annual Council Tax / Business Rates income in a manner different to normal accounting arrangements as would apply if using International Financial Reporting Standards (IFRS). This means any difference between the budgeted net Council Tax and Business Rates income and the actual is held on the Council's balance sheet to be distributed in subsequent years.

5.8.2. Councils are required to calculate an estimate position of the Collection Fund in January which is used by the precepting authorities in setting its budget for the forthcoming year.

5.8.3. Due to the pandemic the Council has seen significant losses in its income collection in relation to council tax and business rates. Ealing are not alone in this phenomenon as similar experiences are seen across all local authorities and as such councils will be able to phase the 2020/21 deficit over three years and also be compensated for 75% of their losses.

Phasing of the Collection Fund Deficit

5.8.4. On 5 November 2020 parliament passed legislation allowing local authorities to phase 2020/21 collection fund deficit. The change in legislation is a direct result of the pressure placed on Council Tax and NNDR collection rates due to the economic downturn caused by the COVID-19 pandemic. The deficits on the Collection Fund will be spread over three years to smooth the financial impact for councils.

Income Loss Compensation Scheme

- 5.8.5. Subsequently in the provisional financial settlement the government also announced additional financial support through an income loss compensation scheme which would look to provide councils with 75% protection. The details of the scheme indicate the Council is not being fully compensated for a large share of its losses. This is due to the way in which the scheme calculates the loss itself. There are two separate schemes, one for Council Tax and the other for Business Rates both of which calculate the loss differently.

Estimated Collection Fund Balance as at 31 March 2021

- 5.8.6. The net estimated deficit after phasing as at 31 March 2021 is £63.375m, of which Ealing's share is £20.817m.

Table 17: Ealing's Share of Estimated Collection Fund Deficit as at 31 March 2021

Ealing's Share	£M		
	Total	Phasing	2021/22
Council Tax	6.708	(3.739)	2.969
Business Rates	22.243	(4.395)	17.848
Collection Fund Net Deficit	28.951	(8.134)	20.817

- 5.8.7. It has always been challenging to estimate the position with regard to business rates income as the number and value of outstanding appeals are not fully known, requiring a professional judgement to be formed. In addition, for 2021/22 the income loss has been significant and a cause for concern, even though a large proportion would be funded through the various government funding mechanisms. streams. The main driver for such a large business rates deficit is due to the Council not receiving cash reimbursement in year for the additional relief it has awarded in 2020/21 (total estimated as £52.5m). The reimbursement will be paid to the Council as a section 31 General Fund grant in 2021/22.
- 5.8.8. COVID-19 has also been the for the council tax estimated deficit, mainly driven by the increase in the caseload for support provided through council's CTR scheme, with a small element in relation to the forecast of historic collection performance.

2021/22 General Fund Budget Impact

- 5.8.9. An additional income of £20.299m is estimated to be received to partly cover the estimated collection fund deficit in 2021/22, majority of which is for funding council's share of the business rates estimated deficit. The net impact of the additional estimated funding streams on the budget is a net deficit of £0.518m to be funded by the General Fund in 2021/22.

Table 18: 2021/22 Budget Impact of the Estimated Collection Fund Deficit as at 31 March 2021

2021/22 Budget	£M		
	Council Tax	Business Rates	2021/22
Collection Fund Net Deficit	2.969	17.848	20.817
Additional Section 31 Grant	0.000	(15.736)	(15.736)
Income Loss Guarantee Compensation Scheme (75%)	(0.285)	(4.278)	(4.563)
General Fund Budget Impact	2.684	(2.166)	0.518

5.9. Business Rates

5.9.1. The Business Rates Retention scheme was implemented from April 2013. Under the scheme, up to 31 March 2018, Ealing retained 30% of business rates income with the remainder paid to GLA and Central Government.

5.9.2. Since 2018/19 the Council participated in a pan-London business rates pool. The arrangement will cease on 31 March 2021. London boroughs have taken a collective decision to end the pooling arrangement for next year following an assessment of the financial impact of the ongoing impact of the pandemic on London's businesses outweighing any potential financial benefit.

5.9.3. The table below sets out the retained business rates share prior to any pooling arrangements were in place for London (2017/18) and the retained income share for 2021/22 following cessation of the pool.

Table 19: Retained Business Share between 2017/18 and 2021/22

Retained Business Rates Share	2017/18	2018/19	2019/20	2020/21	2021/22
	%	%	%	%	%
Ealing's Share	30%	64%	48%	30%	30%
GLA Share	37%	36%	27%	37%	37%
Total Retained	67%	100%	75%	67%	67%
Central Government Share	33%	0%	25%	33%	33%
Total	100%	100%	100%	100%	100%

5.9.4. The Council's MTFS has assumed to retain 30% of the estimated business rates for 2021/22 and made no assumptions with regards to any additional benefits being received from participating in the London Pool.

London Living Wage Business Rates Discretionary Discount

5.9.5. On 16 February 2016, Cabinet made a decision to introduce a London Living Wage (LLW) Business Rates Discretionary Discount scheme which encouraged employers to pay their employees a minimum on the London Living Wage. This scheme gave employers who pay business rates on

property in the borough the opportunity to apply for a rating discount equal to two times the Living Wage Foundation accreditation fee for 2016/17, upon presentation of accreditation documentation from the Foundation issued, or renewed, during the 2016/17 financial year. The scheme was limited to the first 100 employers to apply. The decision made on 16 February 2016 was that the scheme was initially limited to one-year 1 April 2016 to 31 March 2017 and that its success would be reviewed. The scheme has since been extended to 31 March 2021.

5.9.6. Approval is now sought to extend the scheme for a further year from 1 April 2021 to 31 March 2022. This extended period only covers new applications for the discount and any ratepayers already receiving the discount could not apply again. The rest of the scheme rules remained the same.

5.10. **Central Contingency**

5.10.1. As part of developing the budget proposals it would be prudent to allow for a contingency within the base revenue budget. This approach is designed to enable the risks associated with the uncertainty and process to be effectively managed. During 2020/21 a central contingency budget of £1.000m was available to be applied to budget issues as they arose during the year. The central contingency budget for next year to increase to £2.000m.

5.11. **Parking Account**

5.11.1. The budget also includes a contribution from the Parking Account. All charges against the Parking Account are bound by the rules set out in section 95 of the Traffic Management Act 2004 which essentially limits the areas on which a surplus can be spent to include:

- Off street car parks
- Highway maintenance and improvements
- Controlled parking zones
- Meeting the cost of public passenger transport services
- Environmental improvements.

5.11.2. The parking contribution to concessionary fares for 2021/22 is £13.416m. A breakdown of the parking account for 2020/21 is provided at Appendix 5.

6. **Covid-19**

6.1. Included within the provisional finance settlement was announcement for additional funding which included:

- Non-ringfenced general COVID-19 Grant of £10.176m
- Additional funding to for local Council Tax Support c£3m
- 75% compensation mechanism for losses relating to Council Tax and Business Rates. Estimated to be c£4.6m

6.2. These have all been reflected within the 2021/22 budget.

6.3. As set out in 4.4.3 the Council is not being underwritten for 75% of the losses in relation to council tax and business, due to the way in which the separate income loss tools calculate the amount. The compensation is estimating to continue to have a liability of c£4m in 2022/23 and 2023/24. This is subject to no additional losses coming through in 2021/22.

7. **Schools Budget**

7.1. As an education authority the Council receives the following funding to either passport/administer funds to local schools and spend on any centrally retained functions:

- Dedicated Schools Grant (DSG);
- Pupil Premium Grant (PPG)
- Universal Infant Schools Meals (UIFSM)

7.2. **Dedicated Schools Grant (DSG) Allocation**

7.2.1. The DSG is a specific ring-fenced grant to support the schools' budgets. In 2018/19 the National Funding Formula (NFF) was introduced which distributed the Grant according to a formula based on the individual needs and characteristics of every school in the country. In order to provide stability for schools during the transition to the NFF, local authorities continued to be responsible for distributing money between schools in their area.

7.2.2. The DSG is currently split into the following four blocks:

- (i) Schools Block (SB)
- (ii) Early Years Block (EYB)
- (iii) High Needs Block (HNB)
- (iv) Central School Services Block (CSSB)

7.2.3. In December the government published the Councils 2021/22 DSG allocation.

7.2.4. The table below sets out the 2021/22 DSG indicative budget which has been consulted and agreed by Schools Forum at the November 2020 and January 2021 meetings.

7.2.5. With agreement of the Schools Forum the Council have retained elements of central funding and moved 0.5% of the SB (a continuation of funding agreements made in previous years), from the SB to HNB in 2021/22.

7.2.6. The 2021/22 DSG allocation is set out in the table below.

Table 20: DSG Allocation

DSG Blocks	2020/21	2021/22	Variance	Status
	£M	£M	£M	
Schools Block	250.822	268.188	17.366	Confirmed
Academy Recoupment	(63.253)	(75.260)	(12.007)	Confirmed
Subtotal: School Block Allocation	187.569	192.928	5.359	
High Needs Block	59.293	64.054	4.761	Provisional
Central Schools Service Block	2.964	2.779	(0.185)	Confirmed
Early Years Block	27.887	28.245	0.358	Provisional
Total Allocation	277.713	288.006	10.293	

7.2.7. Below is a summary of the school funding with further detail to be found in the School Funding 2021/22 report presented by the Council at the January 2021 Schools Forum meeting.

Schools Block (SB)

7.2.8. Listed below are the decisions the Schools Forum has taken in respect of the Schools DSG Block;

- 2021/22 Minimum Funding Guarantee (MFG) has been set at +0.5%.
- Continuation of funding transfer of £1.28m, 0.5% of Schools Block to the High Needs Block was approved by Schools Forum.
- Growth Fund rules were agreed, and the rates uplifted to reflect the teachers' pay and teachers' pension employers contribution grants being absorbed into the school's block at £85,900 per 30 places in secondary schools and £62,600 in primary.
- Schools that gain maybe capped and scaled for affordability purposes. The local formula will continue to be scaled back through the Prior Attainment factor.

Early Years Block (EYB)

7.2.9. From 2017/18 a new method of allocating early years funding to local authorities was introduced through a National Early Years Funding Formula EYFF. The EYB comprises:

- 3 & 4-year-old entitlement 15 hours
- 3 & 4-year-old entitlement additional 15 hours

- Maintained nursery school supplement lump sum
- Disadvantaged two-year olds
- Early Years Pupil Premium

7.2.10. The funding arrangements for 2021/22 are as follows:

The funding arrangements for 2021/22 guiding the structure of the formula remain unchanged. The maximum a Local Authority will be able to retain for central spend remains set at 5%.

7.2.11. Whilst the table outlines the proposed allocation of Ealing’s Early Years Block for 2021/22, the final grant value will be determined based on pupil numbers at January censuses 2021 and 2022.

Table 21: Provisional Early Years DSG Block Allocation

Projection of Provisional Early Years Block in 2021/22	£M
Central Spend 5% Allowance	1.194
Early Years Inclusion Fund	2.118
Nursery Education Grant Spend	20.028
Contingency	0.754
Total 3-4-Year-Old Budget	24.094
Early Years Pupil Premium/Disability Access Funding/Maintained Nursery School Supplement	0.969
2-Year-old Grant Spend	3.182
Total Early Years Block	28.245

7.2.12. The table below outlines the hourly funding rates for the Local Funding formula 2020/21 and proposed rates for 2021/22;

Table 22: Proposed Hourly Rates for Early Years

Early Years Funding Formula Factor - All Nursery Providers	2020/21	2021/22
Base Rate	90% of funding	90% of funding
Universal 15 hours	£4.63	£4.63
Additional 15 hours	£4.63	£4.63
Deprivation mandatory	5% of supplement	5% of supplement
	£0.26	£0.26
Quality	5% of supplement	5% of supplement
	£0.26	£0.26

High Needs Block (HNB)

7.2.13. The HNB is a single block for local authorities’ high needs pupils/students aged 0-24. This block includes hospital education. This is allocated to local authorities on a national formula and which is not driven by pupil numbers.

7.2.14. The Council is currently faced with a projected pressure which it is currently being mitigated through one-off management actions including the transfer from the School Block in 2020/21. The DfE has consulted widely on requiring overspends on the High Needs Block to be treated as deficit on the DSG. Where this amounts to more than 1% of the DSG Councils will need to prepare a deficit recovery plan. Officers are undertaking further work in this area and will report further to the next Schools Forum meeting in April 2021.

Central School Services Block

7.2.15. From 2018/19 all centrally retained budgets for primary and high schools were included in a separate block and now includes the former Education Services Grant for retained services in respect of all schools and academies in the borough.

7.3. Other Funding

7.3.1. Below is list of other key grants the schools and the Council receive in addition to the DSG:

a) **Pupil Premium Grant (PPG)** provides funding for 2 policies:

- raising the attainment of disadvantaged pupils of all abilities to reach their potential; and
- supporting children and young people with parents in the regular armed forces.

It is allocated for all pupils who have been eligible or are eligible for free school meals during the last six years, looked after children and service pupils.

b) **Universal Infant School Meals (UFSM)**

Schools will also receive funding for UFSM for eligible children in year reception, year 1 and year 2 on the schools roll at October 2020 and January 2021 census days.

c) **Teachers pay and pensions and Employer pensions contributions**

Teachers pay and pensions and Teachers employer pension contributions are now included within the DSG allocations

7.4. DSG Account

7.5. From 1 April 2021 local authorities are required hold DSG balances (under and overspends) in a ring-fenced DSG account.

- 7.6. At the end of 2019/20 the Council held a net deficit balance of £0.605m on its DSG account which includes High Needs DSG deficit of £3.065m. At the end of quarter 3 Children's and Schools service are forecasting a net deficit of £1.573 for the year, detailed in the 'Budget Update Report' being presented at the same Cabinet meeting.
- 7.7. The Council has been working with the Schools Forum to monitor and develop recovery actions to reducing the deficit during 2020/21. Alongside this the Council has been undertaking ongoing work to improve forecast of spend on the High Needs Block, as set out in the quarter 3 position. Officers are in the process of drafting a DSG recovery plan in line with DFE/ESFA requirements.
- 8. Housing Revenue Account (HRA) Budget**
- 8.1. Cabinet approved the HRA revenue budget for 2021/22 and the HRA 5-year Capital Programme for the period 2021/22 to 2025/26 at the January 2021 meeting.
- 8.2. The table below sets out the approved 2021/22 HRA revenue budget.

Table 23: 2021/22 Approved HRA Revenue Budget

HRA Revenue Budget	2020/21	2021/22
	£M	£M
Dwelling Rent	(57.465)	(58.224)
Broadway Living Fee Income	0.000	(0.225)
Commercial Rent	(0.553)	(0.541)
Garages	(0.492)	(0.686)
Service Charges	(8.454)	(8.197)
Heating & Hot Water	(1.396)	(1.542)
Interest on Balances	(0.181)	(0.113)
Total Income	(68.540)	(69.528)
Housing Management	18.741	19.973
Estate Regeneration	3.734	2.673
Property & Estate Services	5.520	5.885
Repairs & Maintenance	16.679	16.678
Interest Payments	7.147	7.016
Provision for Bad Debts	0.700	1.000
Depreciation	14.085	13.210
RCCO	1.900	3.060
Debt Management Expenses	0.034	0.034
Total Expenditure	68.540	69.528
HRA Net (Surplus)/Deficit Before Contribution to Balances	0.000	0.000

HRA Revenue Budget	2020/21	2021/22
	£M	£M
Contribution to/(from) HRA Balances	0.000	0.000
HRA Net (Surplus)/Deficit	0.000	0.000

8.3. The approved HRA 5-year Capital Programme is included in section 8 below.

9. Capital Budget

9.1. Current Capital Programme Budget

9.1.1. The current approved capital programme budget for 2020/21 to 2025/26 is £1,120.420m. Subsequently the programme has been revised to reflect approved changes and net slippage being considered at this meeting in the '2020/21 Budget Update' report.

9.2. Budget Approach to Capital

9.3. Additions to the Capital Programme

9.3.1. As part of the 2021/22 budget process new General Fund capital proposals have been identified, taking into consideration the Council's priorities. These additions are valued at £7.395m of which £6.172m will be funded from borrowing. Of the total new borrowing requirement £0.610m is proposed to be released from the existing programme and repurposed. The proposals have been assessed against the legislative requirements set out in the Treasury Management and Capital Strategy to ensure that the Council can afford to support the on-going revenue costs.

9.3.2. Funding for the new HRA capital investments was considered by Cabinet in January 2021 and are included in Appendix 7.

9.3.3. The additions to the General Fund programme are detailed in Appendix 6.

9.3.4. The impact of the General Fund additions of £6.172m, financed from borrowing will be funded through the revenue built into MTFS budget forecasts.

9.3.5. As part of the 2021/22 budget process there is a recognition that in principle agreement for some of the additions requires the service lead to undertake a detailed business case and option appraisal. To ensure that the capital investment is spent in line with capital spending legislative framework (as set out in the Capital Strategy), Cabinet and Full Council are asked to approve the incorporation of the additions into the capital programme and provide delegation to the Chief Finance Officer (Section 151) to release budget (thereby giving authority to spend) upon approval of a detailed business case

and option appraisal.

9.4. Updated Capital Programme

9.4.1. The Capital Programme is summarised in the table below with details in Appendix 6 and 7. The updated programme reflects:

- HRA 5-year capital programme as approved by Cabinet in January 2021;
- changes in spending profiles between years, considered at this meeting in the '2020/21 Budget Update Report' and changes approved by Officers; and
- General Fund additions set out in Appendix 6 being recommended for approval at this meeting.

Table 24: Capital Programme 2020/21 to 2025/26

Capital Programme Summary	Capital Programme 2020/21 - 2025/26 £M						Total
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
General Fund	167.826	232.053	179.578	62.201	39.672	0.000	681.329
HRA	76.343	86.161	85.706	84.936	61.609	44.335	439.090
Approved Capital Programme	244.169	318.213	265.284	147.137	101.281	44.335	1,120.420
Additions ¹	0.000	6.193	0.358	0.117	0.117	0.000	6.785
Revised Capital Programme Total	244.169	324.406	265.642	147.254	101.398	44.335	1,127.205
Mainstream Funding	158.809	168.369	202.265	83.877	68.302	18.519	700.142
Capital Receipts	29.598	59.728	40.124	40.053	15.825	8.546	193.875
Grants	24.466	71.179	5.032	6.054	0.000	0.000	106.731
S106	7.286	6.597	0.950	0.000	0.000	0.000	14.832
Partnership Contributions	6.413	0.500	0.000	0.000	0.000	0.000	6.913
Revenue Reserves	0.305	0.763	0.000	0.000	0.000	0.000	1.068
Revenue Contribution	1.022	1.000	1.000	1.000	1.000	1.000	6.022
Major Repairs Reserve	13.210	13.210	13.210	13.210	13.210	13.210	79.260
HRA Contributions	3.060	3.060	3.060	3.060	3.060	3.060	18.362
Total Programme Funding	244.169	324.406	265.642	147.254	101.398	44.335	1,127.205

¹ The additions included in the table above reflect the net impact following repurposing of existing scheme budget of £0.610m. For detail see Appendix 6

9.4.2. Cabinet and Full Council are asked to approve the Capital Programme and note that the Council's Financial Regulations specify that inclusion of a scheme in the Capital Programme does not indicate automatic approval to proceed and schemes are still subject to submission of a detailed report to Cabinet seeking formal approval and the release of funding.

9.5. **Capital Strategy**

- 9.5.1. The Local Government Act 2003 and supporting regulations require the Council to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code to ensure that the council's capital investment plans are affordable, prudent and sustainable.
- 9.5.2. The Prudential Code requires that the Council produces an annual Capital Strategy which provides a long-term context in which capital decisions are made and the approach for governance for those decisions.
- 9.5.3. The Council's Capital Strategy is the framework for the allocation and management of capital resources within the Council, which take account of council's key priorities in the Corporate Plan. It forms a key part of the Council's integrated revenue, capital, and balance sheet planning with a view towards deliverability, affordability, and risk.
- 9.5.4. Both the Treasury Management Strategy and Capital Strategy are required to comply with the Prudential Code. Whilst the capital strategy sets out the framework in which investments should be taken the Treasury Management Strategy sets the Council's financing requirements.
- 9.5.5. The council's existing strategy has been reviewed to ensure compliance with the latest Prudential Code. Appendix 8 sets out the 2021/22 Capital Strategy which is recommended for approval by Cabinet.

10. **Treasury Management**

- 10.1. The Local Government Act 2003 and supporting regulations require the Council to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and Treasury Management Code of Practice to set prudential and treasury indicators for the next three years to ensure that the council's capital investment plans are affordable, prudent and sustainable.
- 10.2. In pursuit of the above the council must produce as a minimum three key reports:
 - Treasury Strategy, prudential and treasury indicators, a requirement fulfilled by the production of this report (Appendix 9). The report covers:
 - capital plans including prudential indicators,
 - minimum revenue provision MRP policy,
 - the treasury management and investment strategy.
 - A mid-year report which updates members on treasury progress, the capital position, the prudential indicators and whether any strategies or policies require revision.

- An annual treasury outturn report.
- 10.3. The council's existing Treasury Management Strategy has been reviewed to ensure compliance with the latest Prudential and Treasury Management Code of Practices. Appendix 9 sets out the Treasury Management Strategy and Prudential Indicators for 2021/22 which are recommended for approval by Cabinet.
- 11. Statutory Declarations on Robustness of Budget Estimates and Adequacy of Reserves**
- 11.1. Section 25 of Local Government Act 2003 requires that the Chief Financial Officer (Section 151) in Ealing's case, the Chief Finance Officer (Section 151) must report to the authority on two areas:
- The adequacy of the proposed reserves; and
 - The robustness of the estimates
- 11.2. It also states that the authority must have regard to this report when the council tax is set.
- 11.3. The Chief Finance Officer (Section 151) therefore advises that, in relation to the financial year 2020/21, the proposed budget is robust and the level of reserves and balances in the draft budget is adequate.
- 11.4. The 2021/22 budget setting process is designed to produce robust medium-term Revenue Budget estimates which have been subject to considerable examination by the council's members and officers. As a result:
- The budget and service planning cycles are in line, so that resources are aligned with service objectives through the budget setting process.
 - The revenue impact of decisions concerning capital spending is considered and incorporated in the budget proposals.
 - Risks are fully considered and appropriately budgeted for.
 - The budget includes a proposed contribution to general reserves to build financial reliance recognising the low level of reserve balances in light of current financial outlook.
 - The Ealing Business Partnership receives and comments upon the budget report before the Council meets to set the budget
 - The Cabinet receives and comments upon the budget report before the Council meets to set the budget.
 - The council's scrutiny function has had the opportunity to consider and comment upon the budget proposals to the Cabinet.
- 11.5. As part of the 2021/22 budget the budget looks at holding £6.176m of the COVID-19 general grant centrally which has contributed to setting a balanced

budget.

11.6. Adequacy of Reserves and Balances

11.6.1. Under the 2003 Local Government Act, the Section 151 Officer, the Council's statutory Finance Officer - the Chief Finance Officer, has to be satisfied that the level of the General Fund balance is adequate. This un-earmarked reserve the sum held centrally for unavoidable cost increases above expected inflation levels, other unforeseen items and spending pressures, acts as a financial safety net.

11.6.2. There is no statutory definition of a minimum level of reserves and it is for this reason that the matter falls to the judgement of the Section 151 officer. In coming to a judgement on this matter the Section 151 officer has considered matters such as:

- Risks inherent in the budget strategy.
- Risk management policies and strategies.
- Past financial performance e.g. does the council have a history of containing spending within budget?
- Current budget projections.
- The robustness of estimates contained within the budget.
- The adequacy of financial controls and budget monitoring procedures.
- Spending pressures.
- Increase in Social Care Precept and council tax.
- Impact of COVID-19 on council tax and business rates.

11.6.3. The Council's General Fund balance is at its target risk-assessed level of £15.919m and whilst there is planned contribution in the base budget to increase general reserves there is no further contribution planned for increasing the General Fund balance for 2021/22. £15.919m is 6% of the total net budget for 2021/22 of £252.648m (before reserves). The Chief Finance Officer (Section 151) considers that a balance of £15.919m at 31 March 2021 is adequate as the minimum sum given the risks the council is facing and considering Ealing's spending history. The adequacy of reserves will continue to be reviewed annually.

11.6.4. The recommendation of the Chief Finance Officer (Section 151) on balances is therefore that the MTFS should ensure that the General Fund balance is maintained at £15.919m, which is the estimated balance as at 31 March 2021. No budgeted contribution is therefore required as part of the 2020/21 budget process.

11.6.5. The Chief Finance Officer (Section 151) advises Members that the level of reserves has reduced significantly year on year and no longer provides the level of flexibility in managing budgets that was previously available. For this

reason, the base budget includes an annual contribution of £3.500m to build financial reserves to provide protection against substantial losses in core income and in-year pressures. It is still essential that the Council's spending is contained within budget in all areas of the Council and Members must take robust steps to ensure that this discipline is maintained.

- 11.6.6. The opportunity cost of holding the recommended General Fund balance of £15.919m in 2021/22 in terms of investing in services or limiting the council tax rise is offset by the flexibility that it allows to deal with risk and adverse expenditure variations.
- 11.6.7. The opportunity has also been taken to review all significant earmarked reserves monies set aside for a specific purpose. Earmarked reserves reduce over the medium term as the sums built up in these are deployed, as shown in Appendix 10.
- 11.6.8. The earmarked reserves exclude locally managed school balances, which are not available for use by the Council. The Council has a number of earmarked reserves as shown in Appendix 10 (summary at Table 25 below).
- 11.6.9. The council has forecasted to transfer funds to and from earmarked reserves over the medium term, this is reflected in Appendix 10.

Table 25: Forecast of Reserves over the MTFS Period 2021/22 to 2024/25

MTFS Reserves Forecast	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
	£M	£M	£M	£M	£M
Controllable Ring-Fenced Reserves	(30.421)	(33.921)	(37.421)	(40.921)	(44.421)
Controllable Non-Ringfenced Reserves	(21.851)	(22.036)	(22.280)	(22.335)	(22.345)
Sub-total Earmarked reserves	(52.272)	(55.957)	(59.700)	(63.256)	(66.766)
Schools Balances	(16.579)	(16.579)	(16.579)	(16.579)	(16.579)
Total General Fund Reserves	(68.850)	(72.536)	(76.279)	(79.835)	(83.345)
HRA Reserve	(12.089)	(12.089)	(12.089)	(12.089)	(12.089)
Total Reserves	(80.940)	(84.625)	(88.368)	(91.924)	(95.434)
General Fund Balance	(15.919)	(15.919)	(15.919)	(15.919)	(15.919)
HRA Balance	(4.926)	(4.926)	(4.926)	(4.926)	(4.926)
Total Reserves and Balances	(101.785)	(105.470)	(109.213)	(112.769)	(116.279)

- 11.6.10. The forecast of the reserve movements summarised in the table above and in more detail in Appendix 10, reflect funding of capital schemes, invest to save proposals agreed through the budget process, drawdown of earmarked grants and technical and statutory adjustments relating to business rates and insurance. Use of reserves is regularly reviewed throughout the year and may result in further drawdowns over and above of what is shown in Table 25.

11.6.11. If an unplanned opportunity or challenge arises during the course of any financial year that require funding or investment outside of existing budget or planned drawdown of reserves then reserves, such as the Invest to Save are accessed. This is not reflected in the forecast above.

11.7. Financial Management Code

11.7.1. CIPFA's Financial Management Code (FM Code) provides guidance to councils for good and sustainable financial management, giving assurance that council is managing its resources effectively.

11.7.2. The FM Code identifies risks to financial sustainability and introduces a framework of assurance. This framework is built on existing successful practices and sets explicit standards of financial management. It is for individual councils to determine whether it meets the standards and to make any changes that may be required to ensure compliance. Compliance to the code is seen as a collective responsibility of the organisational leadership.

11.7.3. It should be noted that although there is no legal requirement for the Council to comply with the code, compliance to the code will be a key requirement which will be assessed by the Councils external auditors as part of the Value for Money audit.

11.7.4. With the 2021/22 being the first full year of compliance, an update of progress against the code and an improvement plan (if applicable) will be provided to Audit Committee in March. The Council will continue to work towards a full implementation of the FM code in 2021/22 which will include putting in place any actions from its improvement plan.

11.7.5. Appendix 11 sets out an overview of the FM code and provides details of the standards against which the Council have to assess themselves.

12. Legal

12.1. The Council has a legal duty to set a balanced budget.

12.2. Some savings proposals will have more detailed legal or practical implications. Where this is the case, these detailed implications will need to be considered before a final decision is taken on whether or not to implement the proposals or to implement them in a revised format.

12.3. In regard to the Council's employment law duties

12.3.1. Directors, including the Executive Directors and the Chief Executive, have the delegated authority to delete vacant posts and create new posts within their

service, within budgetary constraints. Executive directors have the delegated authority (following, in relation to proposals to delete filled posts, consultation with the relevant cabinet Portfolio Holder and with the Chief Executive) to approve reorganisations and restructuring of their own departments, which may or may not lead to redundancies, including approving deletions of filled posts. That is why Cabinet is not being asked to approve as part of this report any of the staffing change proposals that will be required in order to deliver the budget proposals. Executive Directors must, when taking any decisions on staffing change proposals, follow the law and principles set out in this section and in section 18 below (Equalities, Human Rights and Community Cohesion).

- 12.3.2. Under s188 of the Trade Union and Labour Relations Act 1992, the Council has a legal obligation to consult if there are proposals to dismiss 20 or more employees (within 90 days of each other).
- 12.3.3. Employees have the right not to be unfairly dismissed. The Council's policies and practices reflect this right. Contractual arrangements for matching and redeployment will be applied to minimise the need for compulsory redundancies.
- 12.3.4. The Council has a legal obligation to make redundancy payments to any employees with more than 2 years' service who are dismissed by reason of redundancy. This arises from the Employment Rights Act 1996 and contracts of employment.
- 12.3.5. Employees whose posts are deleted are contractually entitled to pay protection in certain circumstances.
- 12.4. **In relation to Discretionary Relief to payers of the National Non-Domestic Rates (NNDR)**
 - 12.4.1. Section 69 of The Localism Act 2011 amended section 47 of the Local Government Finance Act 1988 to allow authorities to grant discretionary relief to business rates. Under this provision authorities can create their own discount schemes in order for example to promote growth and jobs in its area, or in specified areas. The relief is to be awarded on a daily basis. Any such scheme needs to be approved by the Council's Cabinet.
 - 12.4.2. By virtue of section 47(5C) of the Local Government Finance Act 1988 when making a decision to fix criteria for relief, the Council must have regard to any relevant guidance issued by the Secretary of State.
 - 12.4.3. Under Section 47 Local Government Finance Act 1988, a decision to set criteria for discretionary relief is not limited to charitable or non-profit making organisations. However, where, as with this proposal, the criteria would allow relief to be granted to businesses which are other than charitable, or non-profit

making, the Council may make the decision only if it is satisfied that it would be reasonable for it to do so, having regard to the interests of persons liable to pay council tax set by the Council.

12.4.4. The Non-Domestic Rating (Discretionary Relief) Regulations 1989 contain provisions in relation to the notices which the Council must give when making decision and determinations under Section 47 of the Local Government Finance Act 1988.

12.4.5. Entitlement to relief is subject to State Aid de minimis limits. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However, the grant of relief in accordance proposed scheme will not breach the rules regarding State Aid where it is provided in accordance with the De Minimis Regulations (as set out in EU Commission Regulation 1407/2013).

12.5. **In relation to Council Tax Discretionary Relief for Care Leavers**

12.5.1. Section 13A(1)(c) of the Local Government Finance Act 1992 provides that the Council may reduce the amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13) to such extent as the billing authority for the area in which the dwelling is situated thinks fit (i.e. discretionary discounts). Discretionary discounts recognise that an Authority's Local Council Tax Reduction Scheme does not always meet the household's full Council Tax liability. The Council has the right to choose whether to use its powers on a case-by-case basis or it also has the right to specify a class of use. A class of use is where several people who pay Council Tax fall into a group because their circumstances are similar.

12.5.2. There are a number of pieces of legislation and statutory guidance that set out the role of the local authority in respect of cared for children and care leavers. There are statutory obligations and guidance for the role of the Local authority as the Corporate Parent in the Children's Act 1989 and 2004, and the Children and Young People act 2008.

12.5.3. Section 23C(4) of the Children Act 1989 ('the 1989 Act') provides that it is also the duty of the local authority to give a former relevant child other assistance, to the extent that his welfare requires it and pursuant to section 23C(5) this may be in kind or, in exceptional circumstances, in cash. The Council therefore has a duty to provide advice and assistance for care leavers. Therefore, as the provision of a discount is discretionary, the Council has the power to agree to the discretionary discount.

12.6. **In relation to Council Tax Reduction Scheme**

12.6.1. Section 13A of the Local Government Finance Act 1992 (c. 14), (“the 1992 Act”), substituted by Section 10 of the Local Government Finance Act 2012 (c.17), (“the 2012 Act”), requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes or persons, whom the authority considers are in financial need.

12.6.2. Paragraph 2 of Schedule 1A to the 1992 Act, as amended by Schedule 4 of the Local Government Finance Act 2012, sets out matters that must be included in a scheme and gives the Secretary of State power to prescribe by regulations additional requirements, including classes of persons, which must or must not be included in a scheme.

12.7. **In regard to Schools Funding and Dedicated Schools Grant (DSG)**

12.7.1. The Council currently receives funding for schools through the Dedicated Schools Grant (DSG) and has the statutory responsibility under the Schools and Early Years Finance Regulations for allocating this funding to schools.

12.7.2. The Schools Forum Regulations 2012, SI 2012/2261, School and Early Years Finance (England) Regulations 2018, SI 201/10 and the School and Early Years Finance (England) Regulations 2015, SI 2015/2033 set out the matters on which the council must consult the Schools Forum or seek the approval of the Schools Forum or the approval of the Secretary of State.

12.8. **In regard to Consultation**

12.8.1. Consultation will be required in the following circumstances:

- Where *legislation* expressly requires it (e.g. before providing or ceasing to provide children’s centres or making any significant change to the services they provide)
- Where the council has *promised* (for example in a report, contract, or policy document) that it will engage in consultation before making a specific decision or a specific type of decision, and in this situation case law has established that the council will be held to such a promise. An example of this would be Ealing’s Compact with the voluntary sector.
- Where the council has made no express promise of consultation but the promise is implied because *in the past we have consistently consulted* on particular categories of decision and there is therefore a legitimate expectation that we will consult.
- Where the nature and impact of the decision mean that *fairness* requires it. The more serious the impact of a decision is on affected individuals, the more important it is that the right decision is reached and that those affected feel that their concerns have been considered by the decision-

maker. One measure of the severity of impact of a decision is the extent to which it unexpectedly alters the existing position. If individuals legitimately expect that they will continue to enjoy some right, protection or benefit, a decision that prevents this is likely to hit them harder than it would if they had no such expectation. This requires a greater degree of procedural protection to be fair. The stronger the expectation, the harder the impact is if it is frustrated and the greater the demands of fairness are likely to be.

12.8.2. The basic rules for a valid consultation are:

- Consultation must be made at a time when proposals are at a 'formative stage' – to ensure there has been no pre-determination.
- Sufficient reasons for the proposal must be given to allow intelligent consideration and response.
- Adequate time must be given for a response.
- The product of the consultation must be conscientiously taken into account when finalising proposals.

12.9. **In regard to Equalities**

12.9.1. The council has a duty, in carrying out its functions, to have due regard to the need to achieve the objectives set out in s.149 of the Equality Act 2010 to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

12.9.2. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

13. **Value for Money**

13.1. The budget setting process addresses the Council's performance in delivering national and local priorities and focuses on the needs of its communities. The budget process will require services to demonstrate this through their budget proposals submissions.

13.2. The budget proposals include examples of delivering Value for Money such as:

- General efficiencies within services and departments.

- Review of charges, maximising income opportunities, but considering the legal restrictions upon the Council's ability to charge for its services.

13.3. Where possible, savings proposals have been made that impact minimally on service delivery despite the challenges presented by the budget pressures outlined above.

13.4. The Council consistently monitors performance and finance in tandem, to ensure that value for money services are commissioned and provided for, as well regularly adjusting its activities to improve performance and achieve better value for money. The budget process sets the approach, providing the framework in which the Council can look to improve performance and achieve better value for money.

14. Sustainability Impact Assessment

14.1. Any sustainability impacts will be taken into account before final decisions are taken on whether or not to implement each proposal. All capital budget proposals are required to set out how the proposal contributes towards carbon emission reduction.

15. Risk Management

15.1. It is important that spending is contained within budget so that the Council can maintain its financial standing in the face of further pressure on resources in 2021/22 and beyond as set out in the annual review of the MTFS in this report.

15.2. The current provisional funding settlement only provides certainty for 2021/22, beyond this there remains a great deal of uncertainty. The MTFS therefore includes various assumptions on future funding which is based on Government announcements made to date.

15.3. The MTFS model will continue to be updated as greater clarity is provided by the Government on their medium-term funding plans.

15.4. Given the uncertainties of the economic environment, impact of COVID-19 and the anticipated scale of the expenditure reductions required, there are inevitably significant risks involved in delivering balanced budgets over the medium term. Key strategic risks are;

- included in the Corporate Risk Register;
- regularly reported to Audit Committee; and
- reviewed through updated Budget and MTFS Strategy reports to Cabinet.

15.5. Since 2013/14, the balancing of the budget in-year depends upon the Council achieving its council tax and business rates projections which are closely

monitored by the Financial Strategy Group.

15.6. As explained in the report, the most immediate risk to the budget process are:

- unfunded income loss pressures as a result of the pandemic particular in relation to Council Tax and Business rates income. The Council will continue to closely monitor the impact of these income streams and support lobby to government as region to ensure the Council can be full compensated for these losses;
- non-delivery of the approved savings; and
- social care placement pressures, which continue to be partly mitigated by spend controls, transformational cost reduction programmes and close monitoring by SLT and by the Leader and the portfolio holders for Finance and Leisure, Health & Adult Services and Schools & Children's Services.

15.7. The council is faced with an uncertain financial climate over the medium to long term which presents a high risk to the authority and there remains potential for further, as yet unrecognised, risks. For this reason, a prudent approach to the level of reserves held by the council remains sensible and necessary. The Chief Finance Officer, as the council's Section 151 Officer, is required to state whether the reserves are adequate as part of the annual budget setting process.

15.8. The Council's MTFS is continually under review and builds in projections for the MTFS period and beyond as further details and analysis become available. These updates are regularly reviewed by SLT and the portfolio holder and updates on the financial environment the Council is operating in are provided in Budget Strategy reports to Cabinet. Any sustainability impacts will be considered before final decisions are taken on whether or not to implement each proposal.

16. Community Safety

16.1. Not applicable.

17. Links to Strategic Objectives

17.1. The Council's MTFS, budgets, capital programme and capital strategy are designed to deliver the Council's strategic priorities. The budget set for 2021/22 will address the delivery of national and local priorities.

18. Equalities, Human Rights and Community Cohesion

18.1. Budget proposals have been developed and impacts considered in line with the principles set out under S149 Equality Act 2010 and Human Rights Act

1988, including the need to protect elderly, disabled, children and young people who are the most vulnerable residents of the borough.

18.2. Implementation of each of the proposals will follow the Councils processes, policies and local terms and conditions to ensure fair selection, assimilation and recruitment and to ensure on-going monitoring of diversity.

18.3. Equalities Analysis Assessments (EAAs)

18.3.1. EAAs are tools that help the council make sure its policies, and the ways it carries out its functions, do what they are intended to do and for everybody. If an EAA is required, it will be prepared and taken into account prior to the final decision on whether or not to proceed with the proposal being taken.

19. In Regard to the Council's Public Law Duties

19.1. When making decisions the Council must act reasonably and rationally. It must take into account all relevant information and disregard all irrelevant information and consult those affected, taking into account their views before final decisions are made. It must also comply with its legal duties, including those relating to equalities as referred to above. Many proposals will impact upon third parties and where this is the case there may be a requirement for the Council to consult those affected before a final decision is taken on whether or not to implement the proposal or to amend the proposal prior to implementation.

20. Staffing / Workforce and Accommodation Implications

20.1. Not applicable.

21. Property and Assets

21.1. The Capital investment proposals set out in this report for approval in principle reflect the need to make efficient use of the Council's property and assets at an affordable cost to support the delivery of Council priorities.

22. Consultation

22.1. Consultation may be required in relation to some savings proposals. Where this is the case, the consultation will be undertaken in accordance with legal requirements (paragraph 12.8) and within a timetable appropriate to the individual circumstances of the proposal in question, including with recognised trade unions and affected individuals. The outcomes from each consultation undertaken will be taken into account before a final decision is taken on whether or not to proceed with the proposal in question, either as presently proposed or in an amended form.

23. Timetable for Implementation

23.1. The budget timetable is set out above.

Table 26: Timetable of Pending Key Budget Activities

Date	Key Activities
February 2021	<ul style="list-style-type: none">• Consultation with Ealing Business Partnership• Budget proposals to Cabinet and Overview & Scrutiny Committee• Cabinet considers final budget proposals and makes recommendations to Full Council• Council approves Budget & Council Tax for 2021• Brexit Update Cabinet Report

24. Appendices

Appendix	Appendix Title
1	Summary Revenue Budget 2021/22
2	New Savings to be considered - 2021/22 to 2024/25
3	2021/22 Fees and Charges Schedule
4	Council Tax Reduction Scheme
5	2021/22 Parking Account
6	New Capital Schemes
7	Summary of Capital Programme 2020/21 to 2024/25
8	2021/22 Capital Strategy and Flexible Capital Receipts Policy
9	Treasury Management Strategy Statement, MRP Statement and Annual Investment Statement
10	Reserves Forecast and Analysis over the MTFSS Period

Appendix	Appendix Title
11	Financial Management Code Overview

25. Background Information

Report Name	Date
Council Reports	
Introduction of Council Tax Reduction Scheme	February 2020
Cabinet Reports	
Budget Update Report 2020/21	9 February 2021
Housing Revenue Account (HRA) 2021-22 Budget, 5 Year MTFS and 30 Year Business Plan	19 January 2021
2021-2024 MTFS Budget Strategy Report	8 December 2020
Budget Update Report 2020/21	10 November 2020
2021-2024 MTFS Budget Strategy Report	13 October 2020
Budget Update Report 2020/21	15 September 2020
Budget Statement Report 2020/21	14 July 2020
Budget Strategy and MTFS 2020/21 to 2022/23	11 February 2020
Schools Forum Reports	
Schools Funding 2021/22	21 January 2021
Schools Funding 2021/22	5 November 2020
Schools Funding 2019/20 to 2021/22	24 June 2020
Audit Committee	
Treasury Management Mid-Year Update	November 2020

Consultation

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Internal				
Ross Brown	Chief Finance Officer	Continuous	Continuous	Throughout
Paul Najsarek	Chief Executive	Continuous	Continuous	Throughout
Judith Finlay Gary Alderson	Executive Directors	Continuous	Continuous	Throughout
Helen Harris	Director of Legal and Democratic Services	Continuous	Continuous	Throughout
Councillor Bassam Mahfouz	Cabinet Member for Finance and Leisure	Continuous	Continuous	Throughout
Councillor Julian Bell	Leader of the Council	Continuous	Continuous	Throughout
Simon Peet	Assistant Director of Technical Finance	Continuous	Continuous	Para – 5.8; Section 10, Appendix 9
Russell Dyer	Assistant Director of Technical Finance	Continuous	Continuous	Recommendation: 1.9, 1,17 & 1.22 (1e & 1f); Section 7,8 & 9; Appendix 2, 3 & 6
Nick Rowe	Assistant Director of Local Tax & Accounts Receivable	Continuous	Continuous	Recommendations; Para- 4.4; 5.6 to 5.9
Joanna Pavlides	Head of Financial Assessments	Continuous	Continuous	Recommendations; Para- 4.3; 5.7
Gary Redhead Tamara Quinn	Assistant Director Schools, Planning & Resource			Recommendations; Para- 7

Report History

Decision Type: For Decision		Urgency Item? No	
Authorised by Cabinet Date:		Report Deadline:	Date Report Sent:
Member:			
Report no:	Report authors and contact queries: Shabana Kausar, Assistant Director Strategic Finance, 020 8825 7549 Baljinder Sangha, Finance Manager, 020 8825 5579		