



Report for DECISION:

Item Number: 9

Contains Confidential or Exempt Information	NO
Title	BUDGET STRATEGY 2017/18
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For Consideration By	Cabinet
Date to be Considered	14 February 2017
Implementation Date if Not Called In	27 February 2017 (not applicable for recommendations to Council)
Affected Wards	All
Area Committees	All
Keywords/Index	Budget, MTFs, grant settlement, financial strategy, GLA precept, risk, growth, savings, capital programme.

Purpose of Report

To seek Cabinet approval of all Revenue budget proposals and the Capital programme for recommendation to full Council at the statutory budget setting meeting on 21 February 2017. It provides a summary of all previous savings and growth proposals agreed at the Cabinet meeting on 15 November 2016. It presents the refreshed Medium Term Financial Strategy for approval and provides an update on the economic climate and funding position following the local government finance settlement for Ealing, which outlined provisional core funding figures for the three years 2017/18 to 2019/20 and confirmed the significant funding cuts set out in the four year settlement of 2016/17.

The report includes the legislative requirement for the Chief Finance Officer (Section 151 Officer) to report formally on the robustness of estimates, the adequacy of the reserves and on the risks in the council's budget strategy. The report also includes recommendations on prudential borrowing for the Council to approve in order to comply with statutory requirements.

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1. Recommendations:

1.1. It is recommended that Cabinet:

Budget Review: Revenue savings and growth proposals

- 1.1.1. Approves an additional £25.209m of centrally held growth items for 2017/18 – 2020/21 (including £20.509m for 2017/18) since 15 November 2016 Cabinet meeting (para 5.2.3) and notes the growth proposals already submitted and approved by Cabinet on 15 November 2016 (para 5.2.1 and Appendix 3a).
- 1.1.2. Notes the repurposing of corporate budgets (para 5.2.4) and notes that no further savings proposals for 2017/18 have been made since 15 November 2016 Cabinet meeting.
- 1.1.3. Note the allowed increases in the social care precept and the referendum limit of the council (4.2.3 and 4.4.2) and recommend to Full Council the taking of the Social Care Precept of 2% on council tax.
- 1.1.4. Notes that the council is in a position to agree a balanced budget for 2017/18 and that any remaining budget gap following the council tax decision by Council on 21 February 2017 will be closed using reserves.
- 1.1.5. Notes the requirement for additional savings and/or income in future years as set out in para 3.1.6.
- 1.1.6. Notes that where information comes to light which indicates that particular savings proposals have significant and important implications not set out in this report, for example relevant to the council's equalities duties or other legal responsibilities, or where consultation is required because of the significant likely impact of proposals upon service users or providers, then those implications will be fully explored and, if necessary, a further report will be considered by Cabinet or the relevant officer or portfolio holder for finance, performance and customer services before a final decision is taken on whether or not to proceed to implementation. Where a decision is taken not to proceed with any savings proposal then alternative proposals will be brought forward for consideration.
- 1.1.7. Authorises the director or executive director with responsibility for each proposal to carry out any steps required in relation to those proposals, including carrying out any appropriate consultation, considering consultation outcomes and any other detailed implications before taking the final decision on whether or not to proceed to implement such a proposal, and amending any proposal prior to implementation as appropriate following consideration as above.
- 1.1.8. Notes in relation to the authorisation given in para 1.1.7 above that where it is reasonably practicable to do so, any key decisions should be brought back to Cabinet.

Fees and Charges

- 1.1.9. Notes that there are no changes to fees and charges which require Cabinet approval.

Budget Review: Capital

- 1.1.10. Notes the capital proposals already approved by Cabinet on 15 November 2016 and to be approved on 14 February 2017 bringing the total of all capital proposals to £30.210m (para 5.17 and Appendix 7, schemes 4, 5 and 9). Cabinet also approves the removal of the Children's Extended Nursery Provision scheme previously agreed by Cabinet on 15 November 2016 (para 5.17).
- 1.1.11. Notes the capital proposals to the HRA (Appendix 8, scheme 27 within HRA programme) to be considered as part of the HRA Business plan by Cabinet on 14 February 2017.

Business Rates

- 1.1.12. a) Makes a decision that pursuant to the Council's powers under section 47 of the Local Government Finance Act 1988, for 2017/18, the Council will offer a discount in National Non-Domestic Rates (NDR) 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 (para 5.23.9).
- (b) Authorises the Strategic Finance Partner – Local Tax and Accounts Receivable to make determinations in relation to applications for such discounts.
- 1.1.13. It is recommended that Cabinet endorses and approves the following recommendations and recommends to the Council that on 21 February 2017 it:

Revenue Budget and Medium Term Financial Strategy

- 1.2.1. Considers and approves the revenue budget for 2017/18 as summarised in Appendix 2.
- 1.2.2. Considers and approves the refreshed Medium Term Financial Strategy (MTFS) for 2017/18 – 2020/21 (para 4.9.4 and Appendix 1).
- 1.2.3. Considers the advice of the Executive Director of Corporate Resources on the levels of reserves and robustness of estimates in setting the budget as required by Section 25 of the Local Government Act 2003 (para 5.11).
- 1.2.4. Notes the financial risks and pressures set out in section 4 and in particular para 4.9.
- 1.2.5. Notes the total savings of £28.896m, total growth of £3.524m and £25.209m of additional centrally held growth items approved by Cabinet on 15 November 2016 and 14 February 2017 through the budget review processes for the period of the refreshed MTFS, 2017/18 – 2020/21 (para 5.2 and 5.4 and Appendices 3a and 3b).
- 1.2.6. Approves the draft Schools budget of £314.095m and agrees that any changes to the budget reasonably required as a result of the final 2017/18 DSG settlement are delegated for decision to the Executive Director of Children, Adults & Public Health following consultation with the Executive

Director of Corporate Resources (see para 5.8.12 and Appendix 5).

- 1.2.7. Notes the MTFs financial projections for 2018/19 to 2020/21 (para 4.9.4 and Appendix 1).
- 1.2.8. Notes that the General Fund balance is scheduled to remain the same at £15.473m for 2017/18 and notes the forecast levels of earmarked reserves (see para 5.13 and Appendix 6).
- 1.2.9. Approves the Parking Account 2017/18 (see para 5.6 and Appendix 4).

Capital Programme 2017/18 - 2020/21

- 1.2.10. Approves the new capital projects, totalling £30.210m and the removal of a capital project totalling £1.600m (see para 5.17 and Appendix 7).
- 1.2.11. Approves the revised capital programme of £761.206m, as set out in (para 5.18 and Appendix 8).
- 1.2.12. Approves the use of underspends from 2016/17 to part fund new capital schemes as set out in paragraph 5.16.2 and 5.17.
- 1.2.13. Approves the revised Capital Strategy set out in Appendix 9.

Treasury Management and Pension Fund Update based on TM Strategy

- 1.2.14. Approves the Treasury Management Strategy including the associated Prudential Indicators and Annual Investment Strategy and as set out in (para 5.21, Appendix 10, Annexes 3 and 5).
- 1.2.15. Approves the Treasury Management Policy Statement attached to Appendix 10 as Annex 1;
- 1.2.16. Notes the Director of Finance will implement the Treasury Management Strategy under existing officer delegated powers set out in Appendix 10 as Annex 2;
- 1.2.17. Approves the Minimum Revenue Provision (MRP) policy and in particular notes the revision to the policy changing the MRP Option 1 (pre 2008 debt) provision from reducing balance to straight line basis to achieve a more prudent provision for debt repayment; set out in Appendix 10 as Annex 4.
- 1.2.18. Notes that the Pension Fund cash (where held in house) and West London Waste Authority cash is also managed in accordance with the Treasury Management Strategy (2.9 to 2.13 of Appendix 10).

Council Tax and Business Rates

- 1.2.19. Notes the GLA Band D precept of £280.02 for 2017/18, a 1.46% increase compared to the 2016/17 GLA precept (para 5.9);

- 1.2.20. Notes that the Executive Director of Corporate Resources calculated under delegated authority on 24 January 2017 the amount of 111,132.37 as the Council Tax Base, (the number of properties in Bands A-H in the Borough, expressed as an equivalent number of Band D units for the year 2017/18) in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) made under Section 33(5) and 34(4) of the Local Government Finance Act 1992 (para 5.22.1);
- 1.2.21. Notes the collection fund position as set out in para 5.22.2;
- 1.2.22. Notes the council's share of the business rates income forecast for 2017/18 at £46.910m agreed under delegated authority by the Executive Director of Corporate Resources (see para 5.23.4).

2. Reason for Decision and Options Considered

- 2.1** This report is the latest in a series of reports to Cabinet on developing budget proposals for 2017/18. This report updates the position since the last budget strategy report to Cabinet on 15 November 2016, and it brings together a number of significant issues for Cabinet decision. The main purpose of this report is to enable Cabinet to consider further budget proposals and make recommendations to Council for when it finalises the budget and sets the council tax on 21 February 2017.

3. Budget Overview

3.1 Budget Review Process

- 3.1.1. The council uses a rigorous priority-led budget process, established in 2005 and now fully embedded across the council.
- 3.1.2. The outcome of the process is a set of business plan options put forward for consideration by the Cabinet and final approval by full Council at its statutory budget-setting meeting in February.
- 3.1.3. The top 6 priorities of the Administration are based on what residents and service users have consistently said that they want prioritised. These are to make Ealing:
- a Prosperous borough
 - a Safer borough
 - a Healthier borough
 - a Cleaner borough
 - a Fairer borough
 - an Accessible borough
- 3.1.4. The budget process for 2017/18 has been prepared in line with the Administration's principles for the budget process as follows:

The council must set a balanced budget, we must act responsibly with local people's money. We will focus the money the council spends on delivering our principles. They are:

- Making every effort to protect those at risk in our borough including elderly, disabled, children and young people who use our services.
- Building residents' resilience and social capital through acting as an enabling Council.
- Intervening in problems as early as possible to deliver the best results for residents.
- Seeking solutions that make use of local people's knowledge, enthusiasm and commitment to the borough.
- Seeking to maximise employment and economic growth in the borough by being an exemplary employer and by encouraging local business growth.
- Making our services and those we commission world class and focused on what matters to local people.

Whilst implementing these principles we will see to it that public money is used as efficiently as possible by cutting out waste, using new technologies to make services more efficient and seeking to work collaboratively with all our partners in the public sector and beyond.

3.1.5. Since 2010 Ealing has implemented a significant savings programme to deal with the combined impact of funding and cost pressures. Prior to the £3.187m additional savings approved at Cabinet on 15 November 2016, overall net savings of £167.5m had already been identified for delivery by 2018/19.

3.1.6. The current position based on the estimates that the government has provided for future funding to 2019/20, the possible deterioration in funding with the implementation of full business rates retention and the Fair Funding review in 2020/21, and taking into account the escalating demand pressures impacting social care leaves the budget gap for the MTFS period at £49.437m.

3.1.7 The council is reviewing its approach to budget setting and will from 2018/19 be adopting an outcomes based approach in order to ensure funding is used in the most impactful way to deliver the best outcomes for residents.

Table 1: MTFS Budget Gap

	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m
Budget Gap	(26.421)	(9.758)	(13.258)	(49.437)

3.2 Financial Outlook and Context

3.2.1. The MTFS, covering the 4-year period 2017/18 – 2020/21, is presented in Appendix 1 for Cabinet approval. It reflects the impact upon Ealing of central government funding decisions, analysis of advice from various relevant organisations (e.g. levying bodies) and impacts of the national and local economic context.

3.2.2. The Chancellor of the Exchequer published the Autumn Statement on 23 November 2016.

3.2.3. The Autumn Statement set out the global economic context within which the UK is operating, and revised the forecast for growth in the UK and revised the forecast for reducing borrowing and for reducing the deficit. More details of the economic environment facing the council are set out in the council's MTFS, as refreshed in its annual review and as set out in Appendix 1,

including the continuing pressures facing the council over the medium term and the need to find further significant levels of savings. The MTFS document includes a glossary, setting out common terms used in the budget process.

3.2.4. The overall financial situation continues to present the council with significant challenges and is expected to do so for a number of years. The council's medium term financial projections show a continuing reduction in central government support. The ongoing budget has increasing costs relating to inflation and service pressures as well as the on-going loss of government grants. The council therefore has to continue to plan for several years of financial restraint. The future years' financial projections shown in the MTFS in Appendix 1 include ongoing forecast reductions in government funding which are expected to continue until at least the end of the decade.

3.3 Investing in Council Priorities

3.3.1. The budget process is designed to ensure that resources are aligned with council priorities and the budget being set for 2017/18 has been prepared in line with those priorities and the administration's principles, these are set out in paras 3.1.3 and 3.1.4 above.

3.3.2. The financial challenge still remains significant over the medium term. The council faces a number of financial uncertainties that could affect the council's financial position over the medium term, notably concerning the level of government grant funding and the continuing social care pressures.

3.3.3. The capital programme has been refreshed to take account of the council's priorities, the latest information on existing projects and the latest estimate of resources, including prudential borrowing.

3.3.4. Table 2 sets out significant new planned capital investments during the period covered by the MTFS. The investments are funded from borrowing, revenue funding, invest to save and government grants.

Table 2: Key new Capital Investments

	2017/18 - 2019/20
	£m
Secondary Schools Expansion, addition to the existing programme	13.100
Health, Independence and Efficiency	2.060
Investment in ICT	5.287
Investment in Parks and Community centres	4.814
Disabled Facilities and other improvement grants	3.429
Other new capital investments	1.520
Total	30.210

4. Budget Planning Assumptions Review

4.1 Policy Framework – the context for the budget decisions for 2017/18 and beyond

4.1.1. The context in which the council's budget is set is influenced by:

- The council's Vision, Corporate Plan and Strategic Priorities;
- The council's Medium Term Financial Strategy (MTFS);
- Central government policies, including legislative change, which may require additional expenditure in areas that would not otherwise be council priorities;
- External drivers – e.g. demand for services, inflationary pressures, change in interest rates etc.

4.1.2. Maintaining the council's financial resilience ensures the effective delivery of services during a difficult economic period and significantly reduced funding.

Major Factors Influencing the Budget

4.2 Local Government Finance Settlement

4.2.1. The provisional Local Government Finance Settlement was announced on 15 December 2016, it provided outline provisional core funding figures from 2017/18 to 2019/20 and confirmed the significant funding cuts set out in the four year settlement of 2016/17, including the stepped reduction of Ealing's Revenue Support Grant (RSG) from £48.371m in 2016/17 to £17.167m in 2019/20 (The 2017/18 provisional figure and change is shown in section 4.3 below). Whilst RSG reductions have been confirmed to 2019/20 figures for the remainder of core funding remains indicative. As discussed below, indicative figures are primarily in relation to the one-off Adult Social Care Grant, New Homes Bonus and improved Better Care Fund. The government has reserved the right to adjust the indicative figures as required, and has indicated there may be new burdens associated with certain funding streams. Therefore, whilst the provisional figures have been reflected in the MTFS, they should be treated as estimates only beyond 2017/18. The 2017/18 figures will be confirmed when the settlement is finalised in February 2017.

4.2.2. The escalation in social care demand pressures have caused the most significant movement in the MTFS. However, the settlement caused a deterioration in the MTFS position as the indicative figures showed the provisional reduction in funding was more than the estimated reductions built into the MTFS. Key differences were:

- Announcement of a new one off 2017/18 Adult Social Care (ASC) Support Grant of £241.1m country-wide. Ealing's grant award is £1.424m.
- Announcement that the 2017/18 ASC Support Grant is to be funded by reducing New Homes Bonus (NHB) by £241.1m moving from a 6 to 5 year rolling scheme with NHB grant no longer provided for the first 0.4% of new growth from 2017/18. The scheme amendment has resulted in a reduction of NHB for Ealing against the previous allocation of £2.526m in 2017/18 and significant reductions in future years.
- The draft settlement announcement increased the budget gap for 2017/18 by £1.102m and over the MTFS by period by £4.983m.

4.2.3. The settlement also set out the following:

- Allowance for local authorities to increase the Social Care Precept up to 3% in 2017/18 and 2018/19, but total increases cannot exceed 6% over the three years to 2019/20.

- Confirmation the improved Better Care Fund announced in 2016/17 will commence in 2017/18. The indicative funding is detailed below in section 4.6. The final allocations remain subject to change.

4.3 Settlement Funding Allocation (SFA)

4.3.1. The Settlement Funding Allocation (SFA) is a key driver in the setting of the Council's budget, it is provided as part of the Local Government Finance Settlement and is a key component of the government's assessment of Ealing's Core Funding. As indicated above, the allocation has been confirmed to 2019/20 under the multi-year offer accepted by Ealing following the 2016/17 settlement. However, it remains subject to future backdated adjustments to allow for the government's neutralisation of the impact of the revaluation of business rates in 2017 which will primarily impact Top-Up Grant (although the impact should be off-set by equivalent rises in business rates income).

4.3.2. Table 3 shows the final settlement for 2017/18 and compares this against the 2016/17 settlement, using the government's own adjusted figures for a like for like comparison. Overall the Settlement Funding Assessment shows a reduction in funding of £11.923m, or 10.02%, between 2017/18 and 2016/17.

Table 3: Settlement Funding Allocation 2017/18

	Adjusted Final 2016/17	Settlement 2017/18
	£m	£m
Revenue Support Grant (RSG)	48.371	35.007
Business Rates Baseline	41.056	42.511
Business Rates – Top-up grant	29.509	29.495
Settlement Funding Assessment	118.936	107.013
Reduction from 2016/17	n/a	(11.923)
Percentage reduction	n/a	(10.02%)

4.3.3. Table 4 below shows the reduction in the provisional settlement offered for 2019/20 compared to the 2016/17 adjusted final allocation. RSG reduces by 64.51% in cash terms by 2019/20 which is only partially offset by the increases in business rates baseline and top up grant.

Table 4: Settlement Funding Allocation 2016/17 to 2019/20

	Adjusted Final 2016/17	Adjusted* 2019/20	(Reduction)/ Increase	Percentage Change
	£m	£m	£m	
Revenue Support Grant (RSG)	48.371	17.167	(31.204)	(64.51%)
Business Rates Baseline	41.056	45.439	4.383	10.68%
Business Rates – Top-up grant	29.509	31.527	2.018	6.84%
Total	118.936	94.133	(24.803)	(20.85%)

*Final adjustment to Business Rates figures will be made after the submission of the 2016/17 NDR outturn positions through the NDR3 forms.

4.4 Social Care Precept and Council Tax Referendum

- 4.4.1. The 2016/17 Local Government Finance Settlement introduced a new flexibility in respect of a social care precept of 2% per annum which can be levied on Council Tax to fund social care. As discussed in 4.2.2 the 2017/18 Provisional Local Government Settlement allows local authorities to increase this precept by up to 3% in 2017/18 and 2018/19, but total increases cannot exceed 6% over the three years to 2019/20.
- 4.4.2. Local authorities seeking to increase council tax levels by more than 2% (excluding the Social Care Precept) are required to gain approval through a local referendum. This threshold is the same as in 2016/17 but effectively is raised to 5% if the flexibility is used.

4.5 New Homes Bonus

- 4.5.1. The 2017/18 Provisional Local Government Finance Settlement announced New Homes Bonus (NHB) will be reduced nationwide by £241.1m in 2017/18 moving from a 6 to 5 year rolling scheme with NHB grant no longer provided for the first 0.4% of new growth from 2017/18. Ealing's provisional 2017/18 New Homes Bonus (NHB) allocation was announced by the government on 15 December 2016.
- 4.5.2. The total allocation to Ealing in 2017/18 is £7.388m. However, the changes to the NHB allocation methodology announced in the settlement mean that future years' reductions in NHB funding will be greater than originally forecast. Table 5 reflects the provisional forecast of NHB to be received by Ealing based on the new allocation methodology and using 2016/17 stock data projected forward. The final allocation is based on the net change in stock (as per council tax records).

Table 5: Ealing NHB allocation

	2016/17 Allocation £m	2017/18 Forecast £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Forecast £m
Total	9.853	7.388	3.307	1.658	0.994

- 4.5.3. The NHB scheme is funded from existing local government funding, taking a top slice from funding from the Revenue Support Grant to redistribute as NHB.
- 4.5.4. The council's overall NHB is allocated based on new homes built and empty properties brought back into use, with an additional amount payable for affordable homes. Detailed modelling work on the likely future revenue streams is on-going and will be incorporated into the MTFs. This funding will continue to be used to support the council's overall budget position.
- 4.5.5. As announced in the 2017/18 Provisional Local Government Finance Settlement the one-off Adult Social Care Support Grant is to be funded by reducing NHB by £241.1m. This has resulted in a reduction for Ealing against the previous allocation of £2.526m for 2017/18.
- 4.5.6. The one-off Adult Social Care Support Grant will be used to fund Adult Social Care services, distributed as part of the new centrally held growth (para 5.2.3).

4.6 Better Care Fund

- 4.6.1. The government is providing £1.5bn for authorities to spend on adult social care by 2019/20 to be included in an improved Better Care Fund. Allocations will commence in 2017/18, with the £1.5bn only fully allocated in 2019/20. This will be a separate grant and the allocation methodology will benefit those councils who benefit less from the additional council tax flexibility for social care. The provisional figures have been reflected in the MTFs but are yet to be confirmed. They are calculated under a formula each year which off-sets allocations by amounts that could be raised using the social care precept and council tax growth. Table 6 shows the provisional Better Care Fund allocation as per the settlement.

Table 6: Ealing Better Care Fund Allocation

2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
-	0.456	4.436	3.996	8.888

4.7 External Factors – interest rates and inflation

- 4.7.1. The base rate is a major influence on the returns that council can achieve on investment income. The base rate currently stands at 0.25% since August 2016 and is not predicted to increase before 2019.
- 4.7.2. CPI and RPI have seen an upward trend over the past five months with CPI increasing by 1.6% since December 2015. Inflation is expected to move higher and surpass the government target rate of 2% (CPI) although the expectation is that the MPC (Monetary Policy Committee) will look through inflation worries and refrain from increasing rates in light of the fragility of the economy brought on by a number of factors. Further inflation data is included in the MTFs as Appendix 1.
- 4.7.3. Although the budget allows for additional inflation on some budgets via specific growth bids, there remains a risk that exceptional increases in costs may occur on some budgets (e.g. where contractual increases are linked to specific indices such as pay and fuel). The council holds a risk provision for inflation on contracts, which is available to services subject to the

relevant approvals.

4.8 Other Factors

4.8.1. In addition to the external factors already mentioned, there are other pressures that are highly likely to impact on the budget, which are listed below:

- Delivery of agreed savings – the budget for 2017/18 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 management actions will need to be taken to ensure the overall budget can be achieved.
- Demand-led services (Children and Adults) – 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
 - Adults – Residents are living longer and have greater expectations about the quality and range of services the council should provide. It has proven extremely difficult to forecast numbers and needs that results 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.
- 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.
- Income – Levels of council 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 planning, property and car park income. In addition leisure services income could reduce.
- Schools expansion – pressures caused by steeply increasing pupil numbers.
- Education Funding Reform – the ongoing review of funding to schools and Local Education Authorities has impacted the 2017/18 budget (with the phasing out of Education Services Grant) and is anticipated to deliver further pressures in future years as the National Funding Formulae are fully introduced.
- Levies paid to external bodies - payments outside the council’s control that need to be met from its budget requirement (more detail in section 5.14).
- 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. The latest valuation was as at 31 March 2016 and has been reflected in the general fund budget from 2017/18. The next review is due 31 March 2019.

- Business Rates Revaluation – As of April 2017 business rates revaluation will come into effect. Whilst council premises will be impacted by the rises in business rates in the borough (12.5% rise in rateable values on average), there is a risk of an overall reduction in the council's income from business rates and top up grant due to the volatility of appeals and uncertainty regarding transitional arrangements.

4.9 Annual Review of the Medium Term Financial Strategy (MTFS)

- 4.9.1. The MTFS provides a robust financial framework to support achievement of the council's overall objectives and delivery of services. The revenue budget has been developed based on the 10 key aims of the MTFS (detailed in Appendix 1).
- 4.9.2. Cabinet last reviewed the MTFS on 15 November 2016. 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.
- 4.9.3. By necessity the strategy is fluid 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. Members are asked to consider and agree the amended MTFS for 2017/18 and beyond as set out in Appendix 1, noting that the council, in common with all local authorities, continues to face a challenging financial outlook. Financial planning over the medium term will help meet the challenges in a structured way, ensuring resources are directed to priority areas.
- 4.9.4. Table 7 summarises the MTFS modelled on a 2% council tax increase in 2017/18 and a 0% increase from 2018/19 (see detail in Appendix 1). The MTFS shows a balanced position for 2017/18. Table 7b summarises the impact on the budget gap of different council tax scenarios (see Appendix 1, section 11 for more details).

Table 7a: Summary of Medium Term Financial Strategy

Budget Totals	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Expenditure				
Base budget services	165.118	143.880	112.496	102.724
Savings b/f from previous budget process	(20.859)	(4.850)	-	-
Growth b/f from previous budget process	1.140	0.100	-	-
Savings from 2017/18 budget process	(2.935)	(0.238)	(0.014)	-
Growth from 2017/18 budget process	2.259	0.025	-	-
Other adjustments	(0.843)	-	-	-
Budget Gap	-	(26.421)	(9.758)	(13.258)
Total departmental budgets	143.880	112.496	102.724	89.466
Below the line items				
Levies	30.786	31.826	32.667	32.667
Inflation	4.000	7.500	11.000	14.500
Improved Better Care Fund	(0.456)	(4.892)	(8.888)	(8.888)
Pensions contribution provision	3.350	3.600	3.850	5.850
New Homes Bonus	(7.388)	(3.304)	(1.658)	(0.994)
Education Services Grant	(1.275)	-	-	-
2017/18 Adult Social Care Support Grant	(1.424)	-	-	-
Other Service budget adjustments held centrally	34.569	34.094	34.694	34.694
Central, Council Wide and Investments Budgets	42.291	44.815	45.950	46.270
Transfers to/(from) reserves	(9.143)	-	-	-
Total non-departmental budgets	95.310	113.639	117.615	124.099
Net budget requirement	239.190	226.135	220.339	213.565
Funding				
Revenue Support Grant & Top-Up Funding	64.503	56.017	47.567	39.567
NNDR (incl. section 31 grant)	46.910	48.768	50.208	50.208
Council Tax	120.148	121.350	122.564	123.790
Collection Fund	7.629	-	-	-
Total Funding	239.190	226.135	220.339	213.565

Table 7b - Budget Gap - council tax scenario impact analysis

Council Tax Scenario	Budget Gap		
	2018/19 £m	2019/20 £m	2020/21 £m
0% increase (as per table 7a)	(26.421)	(9.758)	(13.258)
2% increase until 2019/20	(23.994)	(7.233)	(13.209)
3.99% increase until 2019/20, 1.99% in 2020/21	(19.117)	(4.500)	(10.417)

4.9.5. A summary of the 2017/18 budget by service is set out in Table 8 below, a more detailed analysis

of the Revenue Budget 2017/18 is set out in Appendix 2.

Table 8 – Revenue Budget 2017/18

	2016/17	2017/18
	£m	£m
Children’s, Adults & Public Health	105.053	95.135
Regeneration & Housing	9.902	7.703
Environment & Customer Services	17.689	13.800
Corporate Resources	24.541	19.473
Chief Executive	1.486	1.322
Housing Benefit	6.447	6.447
Total Budget for Services	165.118	143.880
Other centrally held budgets	4.000	7.350
Other centrally held service budgets	4.654	34.569
Finance, contingency and other non-operational costs	46.453	42.291
Transfer to reserves	18.012	(9.143)
Other grants	(14.205)	(10.543)
Levies	31.097	30.786
Total Budget Requirement	255.129	239.190

5 Budgets and Business Plans

5.1 Budgets and Business Plans 2017/18 to 2020/21

5.1.1. The Capital Programme and the Revenue Budget have been produced as a result of work that has been underway since April 2016 on producing budgets and service plans in the budget and service review process.

5.1.2. The Housing Revenue Account (HRA) must be operated for all local authorities with a retained housing stock and is “ring-fenced” from the general fund. The revenue budget for this was approved by Cabinet on 17 January 2017. The HRA 5 year business plan (including the capital programme) has been submitted to Cabinet for approval on 14 February 2017.

5.2 Budget Growth proposals

5.2.1. As part of the budget review process, growth proposals were made. These add to the original savings target, i.e. they create the need for the services requesting growth to fund the equivalent amount in new savings.

5.2.2. A summary of all growth bids approved, are provided in Appendix 3a.

Table 9 – Total growth proposed to date for each directorate

Directorate	Growth approved			
	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m
Children's, Adults & Public Health	2.807	-	-	2.807
Regeneration & Housing	0.394	0.100	-	0.494
Environment & Customer Services	0.048	0.025	-	0.073
Corporate Resources	0.150	-	-	0.150
Total Services	3.399	0.125	-	3.524

5.2.3. Growth is also held centrally for services over a range of pressures. These are shown in Appendix 1, Annex 1. Key centrally held service growth items include:

- £13.780m of Adult Social Care growth in 2017/18 rising to a total of £14.980m by 2019/20, to meet growth pressures in homecare and placement costs.
- £5.354m of Childrens Social Care growth in 2017/18 to meet demand growth pressures in placement costs
- £3.000m of ongoing growth and £2.000m of one-off 2017/18 growth for Childrens Services following a budget review.

5.2.4. These pressures have been partially off-set by permanent and one-off reductions in 2017/18 by the following key corporate provisions.

- Treasury Management budget - £4.346m (following a review of pre-2008 asset repayment policy).
- Pension fund central contribution - £2.650m (following the completion of the triennial valuation for implementation on 1 April 2017).
- Levies - £1.300m (pan-London work to reduce freedom pass fraud has resulted in lower Concessionary Fares charges to local authorities from TfL over 2015/16 and 2016/17 which are expected to persist).
- NDR revaluation risk - £2.000m (one-off funding has been released following a review of the impact of the 2017 Business Rates Revaluation. This is off-set in 2017/18 by £0.800m and in future years by a growth pressure for LBE properties resulting from the Revaluation).

More detail regarding corporate provisions and centrally held items is provided later in this report.

5.3 New savings proposals

- 5.3.1. There are no new savings since Cabinet meeting on 15 November 2016 and the detailed savings are provided in Appendix 3b.

5.4 Total Savings

- 5.4.1. Table 10 shows total gross savings made up of those previously agreed at November and July Cabinets for each directorate. Table 11 shows these total savings by type.

Table 10 – Total gross savings proposed to date for each directorate

Directorate	Gross Budget	Net Budget	Savings proposed and approved			
	2016/17	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m	£m
Children's, Adults & Public Health	518.295	105.053	11.156	2.950	-	14.106
Regeneration & Housing	65.363	9.902	2.593	0.439	-	3.032
Environment & Customer Services	51.419	17.689	4.063	1.699	0.014	5.776
Corporate Resources	40.501	24.541	5.818	-	-	5.818
Chief Executive	2.975	1.486	0.164	-	-	0.164
Total Services	678.553	158.671	23.794	5.088	0.014	28.896

Table 11 – Total gross savings proposed to date by type

2017/18 Budget Strategy	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m
	Management savings	0.898	(0.076)	-
Income	3.550	1.109	-	4.659
Contractual savings	1.957	3.304	-	5.261
Efficiency savings	9.866	0.537	0.014	10.417
Service savings	5.023	0.114	-	5.137
Transfer of funding	2.500	0.100	-	2.600
Demand management	-	-	-	0.000
Total	23.794	5.088	0.014	28.896

N.B. The categories shown above are not mutually exclusive.

5.5 Assumptions for 2017/18 Budgets

5.5.1. Budgets reflecting cost increases identified between 2016/17 and 2017/18 have been drawn up in consultation with the Director of Finance, Strategic Finance Partners and other staff within the council's departments. The planning assumptions used in calculating the figures have made no provision for inflation. For 2017/18 there has been no automatic inflationary increase of budgets except where directorates have submitted growth bids, the assumptions are set out below:

- (i) **Pay** – Local Government Association negotiated a pay award of 1% for the period 1 April 2016 to March 2017, with a further 1% taking effect from 1 April 2017. This will be met from the inflation budget.
- (ii) **All other budgets** – 0% increase covers supplies and services, transport related costs and other administrative budgets, with the exception of budgets that are already subject to contractual increases, where the appropriate inflation will have to be applied. The inflation budget has been increased by £1.000m in 2017/18 to reflect the inflationary pressures in the wider economy.
- (iii) **Income** – a 0% assumption has been made on income budgets, which means that where services have increased income, (perhaps by an increase in charges), this would have been reflected as a savings proposal where it will generate income above the budget.

5.6 Parking Account

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

- Off street car parks
- Highway improvements
- Controlled parking zones.

5.6.2. The parking contribution to concessionary fares for 2017/18 is £8.774m. A detailed breakdown of the parking account for 2017/18 is at Appendix 4.

5.7 Fees and Charges

5.7.1. The council charges for a range of services, a full fees and charges schedule is published on the council's website. Approval of fees and charges is dependent on legislation so decisions may be made by Cabinet, Regulatory Committee or by Officer Decision under delegated authority.

5.7.2. Any significant change to a specific fee or charge must take account, from an equalities perspective, of 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.

5.7.3. There are no fees and charges changes which require Cabinet approval.

5.8 Schools Budget

5.8.1. The Dedicated Schools Grant (DSG) is split into three notional funding blocks:

- Schools Block (SB)
- Early Years Block (EYB)
- High Needs Block (HNB)

5.8.2. The SB primarily funds mainstream schools. The EYB primarily funds early education provision in private settings, school nurseries and the education of two year olds from households with low incomes. HNB primarily funds pupils with high needs, which are usually pupils with Special Educational Needs (SEN) who have Statements for SEN or Education Health and Care plan (EHCP) or pupils that are being funded out of school.

5.8.3. Ealing's Schools Block Unit of Funding (SBUF) for 2017/18 is £5,150.00 per Full Time Equivalent (FTE) pupil. This is a decrease on the 2016/17 SBUF of £5,298.27. Across all schools the SBUF is multiplied by the October 2016 school census of 45,646 pupils. The Department for Education (DfE) has confirmed that Ealing's SB allocation for 2017/18 is £235.077m (2015/16 £236.361m for 44,611 pupils). The reduction in SBUF is down to rebasing between the SB and HNB. This was undertaken to better reflect actual spend in the blocks and to contribute funding to the growth pressures within the HNB.

5.8.4. In 2015/16 local authorities became responsible for calculating the budgets of non-recoupment academies and free schools. The budget calculated for these schools is then recouped from the authority by reducing the DSG paid to Ealing. In 2016/17 this recoupment figure was £35.155m and this is currently also the indicative figure for 2017/18 also.

5.8.5. From 2017/18 a new method of allocating early years funding to local authorities will be introduced through a National Early Years Funding Formula. Allocations will be based on a formula which consists of a uniform base rate with built-in top ups for additional needs (based on eligibility for free schools meals, disability living allowance and the number of children speaking English as an additional language). The allocations will be adjusted by an area cost factor to take account of geographical variations in staff and property costs.

5.8.6. The EYB comprises:

- Funding for the three and four year old first 15 hours entitlement to free education;
- Funding for three and four year olds additional 15 hours entitlement to free education (this is new for 2017/18);
- The early years pupil premium; and
- Participation funding for disadvantaged two year olds 15 hours free education.
- A lump sum for maintained nursery schools

5.8.7. Funding for the three and four year old entitlement to 15 hours free education (and the additional free 15 hours introduced from 2017/18). The DfE has made a provisional allocation of £24.198m in 2017/18 (£21.493m in 2016/17) by multiplying the funding per pupil by pupil numbers from the January 2016 early years census and school census. The 2017/18 allocation will be updated in June 2017 and will be based on $5/12 * \text{January 2016 pupil numbers} + 7/12 * \text{January 2017 pupil}$

numbers. A minimum of 93% of three and four year old funding must be passed onto providers which has reduces the amount that can be retained for funding of central services. For 2017/18 this has been set at £1.694m whereas indicatively, after rebasing, this was £7.876m in 2016/17.

- 5.8.8. Local authorities will also receive from 2017/18 a maintained nursery school supplement as a lump sum payment. For Ealing the allocation for 2017/18 is £0.778m.
- 5.8.9. An Early Years Pupil Premium of £300 per eligible children aged 3 and 4 years old was introduced in 2015/16, and has been retained at this level in 2017/18. This is paid as part of the DSG. Ealing has been allocated a provisional amount of £0.120m in 2017/18, based on a DfE estimate of eligible pupil numbers.
- 5.8.10. For disadvantaged two year olds the 2017/18 provider hourly rate has been confirmed by the DfE, at £5.92 per hour per child with a grant allocation of £3.592m. In 2016/17 Ealing received a grant allocation of £3.361m, the hourly rate per child of £5.53 per hour.
- 5.8.11. The HNB is a single block for local authorities' high needs pupils/students aged 0-24. This block includes hospital education. This is not based on pupil numbers. An allocation for high needs in schools in 2017/18 of £50.258m was issued by the DfE (£43.415m in 2016/17). The budget for these schools will be reduced to account for EFA funding direct to providers. In 2017/18 this reduction is £0.940m, the figure for 2016/17 was £0.969m.
- 5.8.12. In summary, Ealing's provisional DSG allocation for 2017/18 is £314.095m before expected deductions for recoupment and additional allocations for early years, (£304.895m in 2016/17 before deductions). A summary of the elements that make up these figures are set out in Table 12 below.

Table 12: Summary of provisional Dedicated Schools Grant

	2016/17	2017/18	Variance	Status
	£m	£m	£m	
Schools Block	236.426	235.077	(1.349)	Confirmed – Reduction relates to rebasing with High Needs Block.
Early Years Block/Pupil Premium/Disadvantaged	25.054	28.760	3.706	Provisional
High Needs Block	43.415	50.258	6.843	Confirmed – Increase
Total	304.895	314.095	9.200	

Universal Free School Meals for Infants

- 5.8.13. From September 2014, every child in reception, year 1 and year 2, in state-funded schools, was offered a free school lunch. The Department for Education has allocated Ealing a revenue grant of £4.627m for the academic year September 2016 - August 2017. The DfE will update the allocation for academic year September 2017 – August 2018 using data from the October 2016 and January 2017 census.

5.9 GLA Precept 2017/18

5.9.1. The Mayor of London issued a consultation document in December 2016 proposing an increase in the council tax precept of £4.02 from its 2016/17 level of £276.00 per Band D council taxpayer to £280.02 in 2017/18. The precept represents some 20.6% of the overall headline council tax bill in 2017/18. At the time of writing this report the GLA's final draft budget was scheduled to be published by February 2017 and will be considered by the London Assembly. 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 Council meeting. Otherwise, the amounts in this report are final.

5.9.2. The amount of GLA precept per council tax band is set out in Table 13 below.

Table 13 – GLA Precept by Council Tax Band

Band	A	B	C	D	E	F	G	H
£	186.68	217.79	248.91	280.02	342.25	404.47	466.70	560.04

5.10 Specific Grants

5.10.1. In 2016/17, Ealing received approximately £58.050m in specific government grants (excluding DSG, housing benefit payments and monies for Public Health responsibilities).

5.10.2. The Education Funding Review has confirmed the phasing out Education Services Grant (ESG) by September 2017 with a small proportion for retained duties being transferred to DSG. Ealing's initial allocation for 2017/18's transitional funding is £1.275m which represents a cash reduction of over £2.000m.

5.10.3. At this point, not all government grants have been announced for 2017/18. Ealing is therefore awaiting notification of what some grants will be or, in some cases, whether they will still be receivable in 2017/18.

5.10.4. A detailed analysis of the specific grants changes is provided as Appendix 5.

5.11 Statutory Declarations on Robustness of Budget Estimates and Adequacy of Reserves

5.11.1. Section 25 of Local Government Act 2003 requires that the Chief Financial Officer (in Ealing's case, the Executive Director of Corporate Resources) must report to an authority in two areas:

- The adequacy of the proposed reserves
- The robustness of the estimates

5.11.2. It also states that the authority must have regard to this report when the council tax is being set. The Executive Director of Corporate Resources advises that in relation to the financial year 2017/18 the proposed budget is robust and the level of reserves and balances in the draft budget is adequate.

5.11.3. The 2017/18 budget setting process is designed to produce robust four-year revenue budget

estimates.

5.11.4. The budget proposals 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 does not include a proposed contribution to general reserves as the anticipated level of reserves as at 31 March 2017, is at the target level.
- The Cabinet receives and comments upon the budget report before the Council meets to set the budget.
- The council's scrutiny function has the opportunity to consider and comment upon the budget proposals to the Cabinet

5.12 Emerging and Known Risks

- 5.12.1. As part of the Budget Review process, services were asked to consider and document all emerging and known risks in submitting their budget proposals. The revenue budget for 2017/18 is, like the budget for 2016/17, being set in difficult financial and economic circumstances.
- 5.12.2. In addition to the main financial risks facing the council set out in section 4, delivery of the planned savings is critical, including the delivery of £23.794m of savings in 2017/18. The delivery of savings will necessitate robust monitoring and financial control throughout the budget monitoring processes as mentioned below.
- 5.12.3. The council considers key corporate risks via the corporate risk register, which is monitored at a number of internal boards and by the Portfolio Holder for Finance, Performance and Customer Services. In addition, the council's Audit Committee meets quarterly and considers the adequacy of the risk management framework, the associated control environment, and the planned mitigating actions.
- 5.12.4. Despite the risks to the budget, the rigour of the process has enabled the council to consistently deliver an overall balanced budget. Services have proper governance arrangements in place to ensure that they maintain tight control of their budgets and ensure action plans are put into place immediately to contain any overspends arising.
- 5.12.5. The Table below shows the outturn position for previous years. The latest position for the current year, reported to Cabinet on 17 January 2017, indicated a balanced outturn position, after actions to mitigate the significant pressures within Children's & Adults in the 2016/17 forecast. The approach is to use a combination of reserves, contingency budgets and management actions to maintain the spending in Children's & Adults at target levels. Additional in year savings of £2.128m have been identified across Environment & Customer Services, Housing & Regeneration, Corporate Resources and Chief Executive.

Table 14: Outturn position 2013/14 – 2016/17 (estimate)

Year	Outturn
2016/17	Forecast balanced position reported to Cabinet on 17 January 2017
2015/16	(£0.010m) underspend
2014/15	(£0.025m) underspend
2013/14	(£0.025m) underspend

5.13 Adequacy of Reserves

5.13.1. Under the 2003 Local Government Act, the Section 151 officer, (the Council's statutory Finance Officer - the Executive Director of Corporate Resources), has to be satisfied that the level of the general fund balance is adequate. This unearmarked 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.

5.13.2. The council's general fund balance is at its target risk-assessed level of £15.473m and there is no planned contribution within the base budget for 2017/18.

5.13.3. 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 S151 officer. In coming to a judgement on this matter the S151 officer has taken into account 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

Revenue Budget - 2% increase in council tax (social care precept)

5.13.4. The estimated level of the general fund balance at 31 March 2017 is £15.473m, which is 6.5% of the total net budget for 2017/18 (£239.190m). The Executive Director of Corporate Resources considers that a balance of £15.473m at 31 March 2017 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.

5.13.5. **The recommendation of the council's s151 Officer on balances is:** The draft medium term budget plan should ensure that the general fund balance is maintained at £15.473m, which is the estimated balance as at 31 March 2017. No budgeted contribution is required as part of the 2017/18 budget process. Table 15 shows the estimated general fund balance as at 31 March 2018.

Table 15: Estimated General Fund balance as at 31 March 2018

	£m
Balance 1 April 2017	15.473
Budgeted contribution to balances	nil
Balance 31 March 2018	15.473

5.13.6. The opportunity cost of holding the recommended general fund balance of £15.473m in 2017/18 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.

5.13.7. The opportunity has 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 6.

5.13.8. The earmarked reserves excludes locally managed schools balances, which are not available for use by the council. The council has a number of earmarked reserves as shown in Appendix 6 (see Table 16 for summary), including these examples:

- (i) **Business risk reserve** £14.989m as forecast at 31 March 2017. This reserve is set aside against future financial risks that may arise, e.g. legislative changes, major projects, funding risks. The council faces a number of significant risks in the medium term, such as funding, service pressures, for example in demand led services such as Children and Adults, and the need to deliver a significant level of savings. Currently planned drawdowns from reserves in 2017/18 totalling £9.143m are to be funded from the Business Risk Reserve.
- (ii) **PFI reserves** £21.641m as forecast at 31 March 2017. This reserve is aside for future PFI payments.
- (iii) **Insurance reserve** £4.950m as forecast at 31 March 2017. This is the fund established to cover future insurance claims.
- (iv) **Ealing civic investment fund** £4.690m as forecast at 31 March 2017 is in place primarily to fund improvements in the borough.
- (v) **Social Care Transformation Reserve** £2.920m as forecast at 31 March 2017 is in place to facilitate social care transformation.
- (vi) **Economic Volatility Reserve** £13.998m as forecast at 31 March 2017 is in place to manage any economic volatility in the collections fund.

5.13.9. The council has budgeted to transfer funds to and from earmarked reserves over the medium

term, this is reflected in Table 16.

Table 16: Summary of reserves

	Balance 31/03/16 £m	Forecast Balance 31/03/17 £m	Forecast Balance 31/03/18 £m	Forecast Balance 31/03/19 £m	Forecast Balance 31/03/20 £m	Forecast Balance 31/03/21 £m
General Fund Balance	15.473	15.473	15.473	15.473	15.473	15.473
Other earmarked reserves*	93.395	95.761	81.903	79.563	78.663	78.663
Schools Balances**	16.657	16.657	16.657	16.657	16.657	16.657

* Other earmarked reserves includes PFI reserves

** Schools balances do not form part of the general fund and are ring-fenced solely for schools' use.

5.14 Levies

- 5.14.1. Levies in 2016/17 made up 12.2% of the council's net budget. Set out in Table 17 are details of the levies made on the council, which although outside of the council's direct control, need to be taken into account when setting the budget and council tax. Final figures are still awaited and will be updated, any adverse changes will be met by a balancing adjustment on council wide budgets held centrally.

Table 17: Levies

AUTHORITY	Original 2016/17 £m	2017/18 £m	Variance £m	Variance %	Provisional/Final
Concessionary Fares	17.151	16.345	(0.806)	-4.7%	Final
West London Waste Authority	12.656	13.168	0.512	4.0%	Provisional
Environment Agency	0.247	0.254	0.007	2.8%	Provisional
London Pension Fund Authority	0.428	0.428	0.000	0.0%	Provisional
Lee Valley Park	0.330	0.306	(0.024)	-7.3%	Provisional
Coroners Service	0.285	0.285	0.000	0.0%	Provisional
Total	31.097	30.786	(0.311)	-1.0%	

- 5.14.2. Waste disposal costs have been provided by the West London Waste Authority that indicate an increase of £0.512m on the previous year's budget.

5.15 Central contingency

- 5.15.1. The contingency is the sum within the base budget that can be applied to issues as they arise during the year. This contingency for example can be used in the 2017/18 year to mitigate against pressures such as any potential shortfalls arising from the achievement of part year rather than full year savings.
- 5.15.2. The Executive Director of Corporate Resources has reminded officers that the contingency should be the last port of call for funding and that budget holders should explore all other possible avenues first within their devolved budgets. The recommended contingency sum for the 2017/18 financial year is £3.000m, the same as the 2016/17 level.

5.16 Capital Programme - Existing Capital Programme

- 5.16.1. The council approved the existing Capital Programme in February 2016. Subsequently the programme has been amended to include movements such as slippage from 2015/16, underspend on completed projects and other additions or deletions agreed by either Cabinet or officer (S151) decision in consultation with the relevant portfolio holders.
- 5.16.2. An underspend of £0.107m in 2015/16 was reported in the Budget Outturn report to Cabinet in June 2016, this underspend was adjusted in the capital programme and was taken centrally. It is now proposed to reduce the Capital Programme by this amount and use this resource to part fund new capital schemes proposed in 5.18.
- 5.16.3. Table 18 below summarises the movements since June 2016, including the amendments proposed in 5.17.2 below:

Table 18 – Summary of capital budget movements

	£m
Existing Capital Programme 2016/17 – 2020/21	492.065
General Fund	
Slippage from 2015/16 (approved June 2016 Cabinet)	17.719
Other movements (various approvals, Cabinet and officer)	60.167
HRA	
Slippage from 2016/17 (approved June 2016 Cabinet)	2.147
Other movements (various approvals, Cabinet and officer)	51.886
Additional HRA schemes to be included in Feb 2017	107.012
Revised Capital Programme 2016/17 – 2020/21	730.996

5.17 Additions to the Capital Programme

- 5.17.1. As part of the 2017/18 budget process new general fund capital proposals have been considered and agreed (£28.416m) by Cabinet in November 2016 taking into consideration the council's priorities. The Children's Extended Nursery Provision proposal of £1.600m included in the November 2016 approval has been removed from the programme due to the external grant funding no longer being available.
- 5.17.2. The new capital bids require funding from a combination of sources including the use of capital receipts, contribution from revenue, reserves, borrowing and external funding such as grants or Section 106. The new HRA capital investments will be considered by Cabinet on 14 February 2017.
- 5.17.3. The additions to the capital programme and the funding sources are summarised in Table 19 and outlined with a full breakdown in Appendix 7. Five additional schemes have been included to be funded by borrowing as part of the budget process since November 2016 Cabinet, these are identified in Appendix 7 as items 4, 5 and 9.
- 5.17.4. The capital programme additions include schools proposals for which the capital grant allocation is not confirmed, the grant announcement by DFE is expected in February 2017.
- 5.17.5. The funding of general fund additions of £30.210m requires additional borrowing of £12.600m, which has been built into the current MTFs (2017/18 – 2020/21).

Table 19 – All Capital Additions

Capital Additions	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
General Fund (Mainstream)					
Borrowing	5.406	3.092	1.677	2.425	12.600
General Fund (Specific)					
Grant	1.234	5.734	4.744	4.743	16.455
Invest to Save	0.205	0.100	0.100	-	0.405
Revenue	0.750	-	-	-	0.750
Sub-Total (Specific)	2.189	5.834	4.844	4.743	17.610
Total General Fund Additions	7.595	8.926	6.521	7.168	30.210

5.18 Capital Programme in total

- 5.18.1. In the current financial year, as at quarter three services were reporting budget slippage to future years of £88.589m against the £279.654m revised capital budget, forecasting total spend of £189.263m in 2016/17.
- 5.18.2. The Capital Programme, as summarised in Table 20 and detailed in Appendix 8, illustrates the revised budgets taking into consideration change of spending profile between years. It is put forward to Cabinet and subsequently to Council for approval with the reminder to services that

Ealing Council's Financial Regulations specify that inclusion of a scheme in the capital programme implies no automatic approval for progression and is subject to a detailed report to Cabinet for formal approval and release of funding.

Table 20 – Summary of Capital Programme 2016/17 - 2020/21

Department	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2016/17 to 2020/21
	£m	£m	£m	£m	£m	£m
CHILDREN'S & ADULTS	44.049	54.931	42.285	19.607	1.025	161.897
ENVIRONMENT & CUSTOMER SERVICES	39.787	45.580	10.097	5.475	3.314	104.253
CORPORATE RESOURCES	15.655	16.860	0.789	0.556	-	33.860
REGENERATION & HOUSING	19.554	28.529	5.833	3.125	2.829	59.870
COUNCIL WIDE	-	0.550	-	-	-	0.550
General Fund Total	119.045	146.450	59.004	28.763	7.168	360.430
HRA	72.058	128.913	74.027	70.639	55.139	400.776
Total	191.103	275.363	133.031	99.402	62.307	761.206

FUNDED BY:

Mainstream funding	54.947	74.195	32.648	14.819	2.425	179.034
Specific funding (split as follow s)	64.098	72.255	26.356	13.944	4.743	181.396
Grant	50.378	58.674	24.699	13.069	4.743	151.563
Revenue Contribution	3.309	2.269	1.200	0.825	-	7.603
Parking Reserve	0.250	-	-	-	-	0.250
Invest to save	1.025	1.700	0.165	0.050	-	2.940
Partnership	2.827	3.510	0.292	-	-	6.629
S106	6.309	6.102	-	-	-	12.411
Total General Fund	119.045	146.450	59.004	28.763	7.168	360.430

HRA

Mainstream funding	51.773	101.139	52.948	49.688	38.161	293.709
Specific funding (split as follow s)	20.285	27.774	21.079	20.951	16.978	107.067
Grant	-	0.720	0.270	-	-	0.990
HRA Major Repairs/ Depreciation Reserve	20.285	27.054	20.809	20.951	16.978	106.077
Total HRA	72.058	128.913	74.027	70.639	55.139	400.776
Total Funding	191.103	275.363	133.031	99.402	62.307	761.206

5.19 Capital Programme - Risk Management

5.19.1. There are three main risks inherent in the capital programme:

- **Capital receipts are not realised to the level anticipated.** This is a major risk in view of the significant sums involved and the reliance placed on capital receipts as a funding source for the capital programme. For this reason, capital receipts progress is monitored on a monthly basis.
- **Capital expenditure spending profile.** Capital scheme expenditure can be delayed for various reasons such as design or planning issues, weather conditions, and unexpected site issues. Capital spend can also be accelerated where a project progresses quicker than planned. The risk of a changing spend profile can be mitigated by close monitoring of capital projects and reapplying resources between years.
- **Capital project costs increase.** Cost increases can occur due to unforeseen issues that delay or prolong a project or require additional work, cost increases can also arise due to external influences such as rising construction costs. Close monitoring of projects should flag cost pressures at an early stage enabling funding of increased costs to be considered and managed within the council's overall funding envelope.

5.19.2. Procedures for the monitoring of the capital programme have been further strengthened with regular reviews of the full Capital programme by the Finance Strategy Group and Corporate Board. The main scope is to:

- Examine progress on services' capital programmes and monitor delivery of capital schemes;
- Monitor compliance with the financial approval process;
- Monitor and overview funding.

5.19.3. This process enhances governance of capital investments, supplements the budget monitoring reports considered by Finance Strategy Group and Corporate Board on a monthly basis and has improved control and delivery of the capital programme.

5.20 Capital Strategy

5.20.1. The capital strategy is a key corporate document that outlines the council's capital investment objectives and priorities. It is reviewed on a regular basis and is attached in Appendix 9.

5.21 Treasury Management and the Prudential Indicators

5.21.1. The Prudential Code regime for capital financing requires that capital expenditure plans are based on affordability, sustainability, and prudence. This budget report includes the council's proposed Treasury Management Strategy which is attached at Appendix 10.

5.21.2. The strategy statement has been prepared in accordance with the CIPFA Treasury Management Code of Practice. Accordingly, the council's Treasury Management Strategy is approved annually by full Council and there is also a mid-year report. The strategy and mid-

year report go to full Council. The Audit Committee receives quarterly update reports on treasury management activities.

- 5.21.3. In addition, there is also regular monitoring of treasury management activities by management and the portfolio holder for finance, performance and customer services. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities in regards to delegation and reporting.
- 5.21.4. The Treasury Management strategy sets out the investment strategy that the council follows, in addition to many other aspects of treasury management such as debt management, the Prudential Indicators, and the Minimum Revenue Provision (MRP) policy.
- 5.21.5. Prudential Indicators are indicators which focus upon the impact of future investment upon the level of council tax and housing rents and the impact upon the authority's overall borrowing, including charges to the revenue account.
- 5.21.6. The full Treasury Management Strategy is attached at Appendix 10 for consideration before the required formal consideration and approval by Council.

5.22 Council Tax and Collection Fund for 2017/18

- 5.22.1. **Council Tax Base** - 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 Executive Director of Corporate Resources has calculated under delegated authority in January 2017 the amount of 111,132.37 as the council tax base for the year 2017/18, based on an outturn collection rate of 97.7%, nil change from 2016/17. Although collection rates in 2016/17 are better than expected, this is a prudent forecast taking into consideration the potential impact of welfare reforms which continue to take effect and will create challenges in maintaining collection rates.
- 5.22.2. **Collection Fund Surplus** - The projected surplus on the collection fund at 31 March 2017 is £13.021m, which has to be apportioned between the council (£7.629m), DCLG (£2.738m) and the GLA (£2.654m). The council's share has been added to the resources available to the council's general fund as part of balancing the budget for 2017/18.
- 5.22.3. **Council Tax in 2017/18 for Ealing's Services** – Final decisions on the budget and council tax will be taken on 21 February 2017 by Council. The level of council tax is a matter of political judgment, having due regards to the professional advice of officers, and in particular to the advice of the section 151 officer as regards the robustness of the budget and on reserves and balances.
- 5.22.4. Set out below are the *indicative* Basic Amounts of Ealing's council tax for 2017/18 (excluding GLA).

Table 21 – Ealing’s council tax for 2017/18 by band - 2% increase (Social Care Precept)

Band	A	B	C	D	E	F	G	H
£	720.75	840.88	961.00	1,081.13	1,321.38	1,561.63	1,801.88	2,162.26

5.22.5. Sensitivity analysis shows that for each budget adjustment of £1m, the impact on council tax is some £9.00 on Band D council tax or 0.85%. In terms of council tax sensitivity, for every 1% increase in the 2017/18 council tax additional £1.178m council tax revenue is raised and therefore for every 1% variation, a budget variation of £1.178m would be required.

5.23 Business Rates 2017/18

5.23.1. The Business Rates Retention scheme was implemented from April 2013. Under the scheme until 31 March 2017 Ealing retains 30% of all business rates collected in the borough, 20% goes to the Greater London Authority and 50% goes to the government. The government has announced there will be increased local retention to be delivered by 2020 – the first part of the change will occur from 1 April 2017 with an increased share being retained by GLA. Ealing will still retain 30% with 37% (up from 20%) being paid to GLA and Central government now getting 33% (down from 50%). Further details on wider retention are expected in the next year.

5.23.2. Each year, local authorities are required to provide details of expected business rates income for the following via the NNDR1 form, which is a government return.

5.23.3. The calculation was made and signed off under delegated authority in January 2017 by the Executive Director of Corporate Resources.

5.23.4. A summary of the estimated business rates income to be collected by Ealing and its distribution is set out in Table 22 below.

Table 22: Estimate Business Rates Income

	Business Rates Income		s31 Grant	Total
	%	£m	£m	£m
Business Rates Income	100	150.283	N/a	N/a
Central Share	33	49.593	N/a	N/a
GLA	37	55.605	N/a	N/a
Ealing	30	45.085	1.825	46.910

5.23.5. At the end of the financial year 2016/17 the council will be required to report the actual business rates collected via the NNDR3 form. This will be subject to audit and any variations shared between the government central share (50%), the GLA (20%) and Ealing (30%).

5.23.6. Ealing’s 2017/18 funding also includes a £29.495m top-up grant because our business rates income is less than our equivalent funding need. This figure has been adjusted during 2016/17 to reflect the 2017 Business Rates Revaluation impact which increased the Rateable

Values of Ealing's businesses.

- 5.23.7. If the council's retained business rates income falls by more than £5.401m (7.5%) below our individual baseline funding level, set by the government at £72.006m Ealing would qualify for a safety net payment.
- 5.23.8. A S31 Grant will be received by Ealing from DCLG to compensate for lost revenue as a result of government policies. Grants are paid directly to Ealing and the GLA by DCLG and do not form part of the business rates collected by Ealing for distribution in the relative shares.
- 5.23.9. 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 proposal is to extend this scheme for a further year – to run from 1 April 2017. This extended period will only cover new applications for the discount and any ratepayers already receiving the discount cannot apply again. The rest of the scheme rules will stay the same.

5.24 Localised Council Tax Support Scheme

- 5.24.1. With effect from 1 April 2013, council tax benefit was replaced by the localised council tax support (CTS) scheme, and from the same date councils introduced a scheme of council tax discounts and premiums for second homes, repossessed properties, empty and unfurnished properties and properties undergoing structural repair or alteration.
- 5.24.2. A report on Ealing's council tax support scheme was presented to Council on 20 December 2017, it recommended the scheme was unchanged from 2016/17.

5.25 Revenue and Capital Budget Developments 2016/17

- 5.25.1. There are no material revenue budget developments further to the Budget Update 2016/17 as at 31 October 2016 reported to Cabinet on 17 January 2017. Section 5.18 provides the latest capital position as at 31 December 2016.

6 Legal

- 6.1. The council has a legal duty to set a balanced budget.
- 6.2. (Please also see section 11 below: Equalities, Human Rights and Community Cohesion)
- 6.3. **In regard to the council's employment law duties:**
 - 6.3.1. Directors, including the Chief Executive, have the delegated authority to delete vacant posts

and create new posts within their service, within budgetary constraints

- 6.3.2. 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).
- 6.3.3. 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.
- 6.3.4. 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.
- 6.3.5. Employees whose posts are deleted are contractually entitled to pay protection in certain circumstances.
- 6.3.6. A number of budget savings proposals have included staff reorganisation proposals were in relation to all those proposals.
- 6.3.7. Some savings proposals, even where those proposals do not have any staffing implications 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 them.

6.4 In relation to Discretionary Relief to payers of the National Non-Domestic Rates (NNDR)

- 6.4.1. 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.
- 6.4.2. 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.
- 6.4.3. 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.
- 6.4.4. 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.
- 6.4.5. 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).

7 Value for Money

- 7.1. The Council has prioritised achieving Value for Money (VFM) in order to ensure resources are released for the provision of “front line” services. The budget process has required services to demonstrate VFM through detailed budget submissions including benchmarking comparisons and the review process has produced significant management savings, efficiency savings, increased income and contractual savings of £20.395m (net of growth) in 2017/18.
- 7.2. The budget proposals include examples of delivering VFM such as streamlining management structures, removing or reducing subsidy from non-statutory services, rationalising building stock and review of charges.

8 Sustainable Impact Assessment

- 8.1. There are no adverse environmental impacts arising from this report. All capital budget proposals are required to set out how the proposal contributes towards carbon emission reduction.

9 Risk Management

- 9.1. Some of the main risks facing the council on its budget are set out in section 4.8. 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 2017/18 and beyond as set out in the annual review of the Medium Term Financial Strategy (MTFS). The biggest risks to the budget are non-delivery of the approved savings and growing demand, which are mitigated by close monitoring by officers through the Financial Strategy Group and Corporate Board. The council continues to manage within its means and, subject to management actions, is projected to deliver a balanced budget for this financial year to 31 March 2017.
- 9.2. Each service monitors on a monthly basis the financial risks and progress to mitigate the risks.

10 Community Safety

- 10.1. Not applicable.

11 Links to the Six Priorities of the Borough

- 11.1. The council’s MTFS, budgets and capital programme are designed to deliver the Council’s six priorities.

11.2. These are to make Ealing:

- a Prosperous borough
- a Safer borough
- a Healthier borough
- a Cleaner borough
- a Fairer borough
- an Accessible borough

11.3. The corporate plan drives the medium-term financial strategy, with changes in allocations determined in accordance with policies and priorities. The proposed budget addresses the delivery of local and national priorities and the council's performance and focus on the needs of its communities. Effective financial management supports the strategic objective for improved value for money and keeping council tax low.

12 Equalities, Human Rights and Community Cohesion

12.1. **In regard to equalities and human rights considerations**, S 149 Equality Act 2010 requires public authorities to have due regard to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act;
- (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.

12.2. The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

12.3. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

12.4. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

- 12.5. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- (a) tackle prejudice, and
 - (b) promote understanding
- 12.6. Compliance with the duties in S149 may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited under the Act. The Council's equality analysis assessment toolkit supports this approach.
- 12.7. The Human Rights Act 1998 makes it unlawful for public authorities to act in a way that is incompatible with a Convention right. Anyone who feels that a public authority has acted incompatibly with their Convention rights can raise this before an appropriate UK court or tribunal.
- 12.8. The Human Rights Act protects a person from discrimination in the enjoyment of those human rights protected by the European Convention of Human Rights. These rights include the absolute right not to be subject to inhuman or degrading treatment, the right to respect for their private and family life, their home and their correspondence, which may only be restricted only in specified circumstances and the right to hold a broad range of views, beliefs and thoughts, and to follow a religious faith. The right to manifest those beliefs may be limited only in specified circumstances.
- 12.9. Discrimination occurs when a person is treated less favourably than another person in a similar situation and this treatment cannot be objectively and reasonably justified.
- 12.10. The Human Rights Act prohibits discrimination on a wide range of grounds including 'sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status'.
- 12.11. The case law relating to this right has shown that the term 'other status' includes, among other things, sexual orientation, illegitimacy, marital status, trade union membership, trans- sexualism and imprisonment. It can also be used to challenge discrimination on the basis of age or disability.
- 12.12. Services undertake an initial or, if required, a full EAA for proposals put forward for approval by Cabinet. Only full EAAs are published as part of Cabinet reports.
- 12.13. Where it has been assessed that a full EAA is required but that full EAA is not appended to this report, the full EAA will be prepared and taken into account prior to the final decision on whether or not to proceed with each proposal where such a full EAA is required.
- 12.14. Implementation of each of the proposals will follow the council's processes, policies and local terms and conditions to ensure fair selection, assimilation and recruitment and to ensure on going monitoring of diversity.

- 12.15. **In regard to the Council's public law duties** - 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.

13 Staffing/Workforce and Accommodation implications

- 13.1. Some of the further savings proposals in this report, highlighted in Appendix 3b have potential staffing implications. It is anticipated that detailed proposals affecting staff will have been developed by March 2017, at which point, consultation with staff affected by any proposals will begin. Any such proposals are subject to consultation.

14 Property and Assets

- 14.1. In building the budget requirement, due regard has been made to the revenue consequences of the current approved capital programme. The financial strategy embraces the need for an integrated approach to service planning and budget setting, both for revenue and capital spending.

15 Consultation

- 15.1. Consultation on service priorities has occurred extensively across directorates as part of our business planning and budget process activities. There will be further consultation in relation to specific proposals as necessary.
- 15.2. Overview and Scrutiny Committee will consider this report at its meeting on 9 February 2017 and comments will be tabled at this meeting for consideration.
- 15.3. Consultation with the Ealing Business Partnership takes place on 7 February 2017.

16 Timetable for Implementation

16.1. The key dates of the budget strategy (including meetings which have already taken place) are as follows:

	2016
- Cabinet agreed budget process and Timetable for 2017/18	12 July
- Cabinet considered budget strategy report including budget savings	15 November
	2017
- Cabinet considered Housing Revenue Account for 2017/18	17 January
- Consultation with Ealing Business Partnership	7 February
- Overview and Scrutiny Committee to consider Budget report	9 February
- Cabinet approves all budget proposals including capital proposals and considers further budget options in the context of the final Settlement and the GLA precept	14 February
- Full Council to set budget and council tax for 2017/18	21 February

17 Appendices

1		Medium Term Financial Strategy 2017/18 – 2020/21
2		Summary Revenue Budget 2017/18
3	a	All Growth approved to date by Cabinet 2017/18 – 2020/21
	b	All Savings approved to date by Cabinet 2017/18 – 2020/21
4		Parking Account 2017/18
5		Grants Schedule
6		Analysis of Reserves
7		New Capital Schemes
8		Summary Capital Programme 2016/17 – 2020/21
9		Capital Strategy 2017/18
10		Treasury Management Strategy Statement, MRP statement and Annual Investment Strategy 2017/18

18 Background Information

Cabinet reports:

- Budget Strategy 12 July 2016,
- Budget Strategy 15 November 2016 on budget proposals / review
- HRA Budget Report on 17 January 2017
- HRA Business plan 2017 on 14 February 2017
- Discretionary Discount Scheme for Businesses Accredited to Living Wage Foundation, 16 February 2016

18.2. Fees and charges can be viewed at the following link:

https://www.ealing.gov.uk/downloads/download/3478/fees_and_charges

Consultation

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Internal				
Councillor Yvonne Johnson	Cabinet Member for Finance, Performance & Customer Services	31/01/17	02/02/17	Throughout
Ian O'Donnell	Executive Director Corporate Resources	27/01/17	30/01/17	Throughout
Ross Brown	Director of Finance	26/01/17	27/01/17	Throughout
Paul Najsarek	Chief Executive	31/01/17	31/01/17	Throughout
Judith Finlay, Keith Townsend, Pat Hayes	Executive Directors	01/02/17	01/02/17	Throughout
Helen Harris	Director of Legal and Democratic Services	31/01/2017	02/02/17	Throughout

(a) Report History

Decision type: For decision	Urgency item? No
Authorised by Cabinet member:	Date : Report deadline: Date report sent:
Report no.:	Report authors and contacts for queries: Maria Campagna, Strategic Finance Partner - Corporate, 0208 825 9727 Philip Lewis, Acting Finance Manager, Strategic Planning, 020 8825 5550