



Report for: **DECISION**

**Item Number:**

Contains Confidential or Exempt Information	<b>No</b>
<b>Title</b>	<b>BUDGET STRATEGY AND MTFS 2023/24 TO 2025/26</b>
<b>Responsible Officers</b>	Ross Brown. Chief Finance Officer (Section 151)
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<b>Portfolio</b>	Councillor Steve Donnelly, Cabinet Member for Inclusive Economy
<b>For Consideration By</b>	Cabinet
<b>Date to be considered</b>	13 July 2022
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<b>Affected Wards</b>	All
<b>Area Committees</b>	All
<b>Keywords/Index</b>	Budget strategy, Medium-Term Financial Strategy (MTFS), Budget approach/process.

### **Purpose of Report**

Ealing Council has delivered on the objectives of its Future Ealing programme that has focused on improving the life of the residents and most vulnerable in the Borough whilst working with significantly reduced budgets after a prolonged duration of successive funding reductions. The 2022/23 Budget Strategy saw continued investment supporting vital areas to provide a sustainable platform for services to be delivered from.

The report updates Cabinet on the current financial planning position and to seek endorsement for the savings strategy for 2023/24, which reflects the savings which will be required over the next three years of the Medium-Term Financial Strategy (MTFS), 2023/24 to 2025/26.

This report represents the first stage in the Council's annual budget planning process for 2023/24, following the agreement of the MTFS by Council in

February 2022.

The report also sets out the Budget Strategy for the Capital Programme and for the Housing Revenue Account 2023/24.

## **1. Recommendations**

1.1. It is recommended that Cabinet:

- 1) Note the lack of clarity regarding the timing of the Governments Spending Review and the lack of any indication as to the value of financial settlement to Local Authorities which makes budget planning, particularly in the current environment unnecessarily complex and challenging.
- 2) Agrees that Executive Directors prepare detailed plans and budget proposals in accordance with the Administration's priorities and financial strategy objectives (paragraphs 4.2 to 4.4), taking into account emerging expenditure and funding information (section 3) and the proposed approach to savings identification (paragraph 4.5). Flowing from that budget proposals are to be brought back to Cabinet for approval as part of the annual budget report.
- 3) Sets a requirement to identify savings proposals that will close the revised forecast budget gap for 2022/23 of £38m by the end of the budget process.
- 4) Notes the increase in the forecast budget gap of £16m profiled in 2022/23 which increase the indicative cumulative budget gap over the three-year Medium-Term Financial Strategy period from c£71m to c£87m; and sets a requirement to also bring forward proposals to close the forecast gap in 2023/24 onwards, recognising that the local government finance settlement could have a material impact on this value.
- 5) Agrees that any revenue growth proposals will require savings of an equivalent quantum to be identified (paragraph 5.9.2).
- 6) Notes and agrees the capital investment process as set out in the report (section 6).
- 7) Notes Housing Revenue Account (HRA) Budget Strategy (section 7).
- 8) Notes the budget preparation timetable as set out in the report (section 8).

## **2. Reason for Decision and Options Considered**

2.1. The Council made significant investment in service areas as part of the

2022/23 budget process but continues to face significant budget pressures in future years and uncertainty, including the continuing level of support from Central Government over the medium term. Additionally due to an increased demand for services, the long-term impact of COVID-19 alongside the current backdrop of the cost of living crisis including most notably the rising inflation and energy prices, council services continue to operate in a challenging resource environment where small demand change can lead to material budget variances.

- 2.2. This report is part of the Council's budget setting and business planning process. The Medium-Term Financial Strategy (MTFS) was recommended by Cabinet in February 2021 and approved by Council on 2 March 2021. Building upon that there was the subsequent approval by Cabinet in May 2022 a re-allocation of revenue growth.
- 2.3. This report now seeks approval of the updated MTFS assumptions for 2022/23 to 2024/25 so that officers can prepare detailed budget proposals for Member consideration as part of the annual budget-setting cycle in line with the timetable in section 8.
- 2.4. The overarching objective of the MTFS is to set a priority-led budget over the medium term that is balanced and realistic; and supported by achievable savings plans. However, it must be recognised that significant budget gaps such as that set out in this report could severely curtail the ability of the Council to deliver service levels in line with those currently provided.
- 2.5. The Council will continue to consider the necessary funding requirements for delivering its priorities as part of the annual medium term financial strategy (MTFS) and budget process.

### **3. Financial Context and Overview**

#### **3.1. Spring 2022 Statement**

3.1.1. On 23 March 2022, the Chancellor presented his Spring Statement to House of Commons which included the following key announcements:

- a) Household Support Fund
  - Extension of the scheme into 2022/23
  - £1bn allocation, almost doubled from 2021/22 allocation of £421m
- b) Business Rates – Green Reliefs
  - At Autumn Budget 2021, the Government announced two new measures to support green investment and the decarbonisation of buildings, to apply from April 2023. The first measure was an exemption for eligible plant and machinery used in onsite renewable energy

generation and storage. Plant and machinery such as rooftop solar panels, wind turbines, and battery storage will be exempt along with storage used with electric vehicle storage points. The second measure was a 100% relief for eligible low-carbon heat networks which have their own rates bill.

- At the Spring Statement the Chancellor announced that the Government would bring forward this investment in energy efficiency and clean heat to support the security of energy supply.
- These measures will therefore come into effect one year earlier from 1 April 2022.
- The Valuation Office Agency (VOA) will work to implement this exemption, and it will be backdated to the date the regulations came into force.
- Council's will be reimbursed for these funds through an additional section 31 grant.

c) Other

- VAT on the installation of energy efficient systems would be cut from 5% to zero from April 2022. The cut to VAT for the next five years covers the installation of technologies such as solar panels, heat pumps and insulation.
- 5p cut to fuel duty

3.1.2. The general national and local health of the economy has both direct and indirect impacts on the Council's medium-term financial strategy. The comprehensive spending review (CSR) usually will provide a 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. Although the government has published a multi-year CSR it only provided local government with another one-year finance settlement for 2022/23. This makes it difficult to assess the financial impact of the current MTFs assumptions in the medium term. It is made even more difficult due to the current economic climate driven by cost of living crisis, rising energy costs, inflation, war in Ukraine and the pandemic and impact of these factors in the short to long term on the national and local economy.

3.1.3. It is too early to speculate on the details that may be included within financial settlement for local government but there are a number of long-standing funding issues that remain unresolved which include:

- Details and revised timeline of the 'Fair Funding Review' and Business Rates baseline reset. As confirmed by London Council following publication of the finance settlement the Government set out their intentions to work closely with local government and other stakeholders over the coming months and to consult on any potential changes. There

has been no formal consultation with regards to any funding changes.

- Impact of Business Rates Revaluations.
- Future of the New Homes Bonus grant scheme.
- Long-term funding arrangements for Social Care.
- Arrangements for Council Tax and future of the Social Care Precept.

3.1.4. At the time of writing this report, it remains unclear when the government will release the local government financial settlement, although the Secretary of State for Department of Levelling Up, Housing and Communities (DLUHC) made an announcement at the Local Government Conference on 29 June that council will receive a two-year settlement from next year. Even though the announcement of a two-year settlement is positive there is still uncertainty over what this maybe and if any of the above funding issues will be resolved. At this time the Council will need to continue to plan with little or no funding certainty over the medium term until the multi-year settlement is published.

## 3.2. **Queens' Speech**

3.2.1. The third Queen's speech was delivered on 10 May 2022 which proposed a total of 38 Bills and various other policies and commitments (which may require additional legislation).

3.2.2. The 38 bills referred to in the Queens speech can be grouped into the following policy objectives:

### **a) Growing the economy to address the cost of living**

- A total of 23 Bills have been introduced to support growing the economy.
- Those most relevant to local government are:
  - 1) Levelling Up and Regeneration Bill - some of the main elements of this Bill will be:
    - The creation of a new model of combined authority - the 'County Deal'.
    - New powers for local authorities to bring empty premises back into use and instigate rental auctions of vacant commercial properties in town centres and on high streets.
    - Capturing more of the financial value created by development with a locally set, non-negotiable levy to deliver the infrastructure that communities need.
    - Giving residents more of a say over changing street names and ensuring everyone can continue to benefit from al fresco dining.
  - 2) Schools Bill – main elements of the bill are:
    - to ensure funding is allocated on a fair and consistent basis for all schools wherever they are.
    - support more schools to become academies.
    - implement a direct National Funding Formula, so that each mainstream school will be allocated funding on the same basis,

wherever it is in the country

- 3) Non-Domestic Rates Bill – this aims to introduce more frequent revaluations with the intention of making rates bill more responsive to economic changes. Some the main elements of the Bill will be:
  - Shortening the business rates revaluation cycle from five to three years from 2023.
  - Tightening appeals against rates on the basis of changing circumstances.
  - Introducing new 12-month rates relief on increases to rateable value arising from improvements made to a property.
  - Introducing a new 100% rates relief for low carbon heat networks that are assessed as separate entities for business rates.
- 4) UK Infrastructure Bank Bill – the objective is to support economic growth including at a regional and local level and to provide the Bank with the necessary powers to lend directly to local authorities.
- 5) Procurement Bill – which aims to boost business by making public procurement more accessible for new entrants such as small businesses and voluntary, charitable and social enterprises, enabling them to compete for public contracts. Key elements of the Bill will be:
  - Enshrining in law the objectives of public procurement.
  - New exclusion rules will enable unacceptable behaviour and poor performance to be tackled including allowing past performance to be properly considered.
  - Facilitating time-saving for public bodies through new streamlined procedures.
  - Enabling smaller contracts to be restricted to UK suppliers,

**b) Making the streets safer**

- A total of 7 new Bills will be introduced under the policy objective aim of which is to cutting crime with a particular focus on public order arising from public protest, enhancing national security including threats to certain public locations and venues, tackling economic crime, addressing modern slavery, increasing online safety and supporting the victims of crime.

**c) Funding the NHS to clear the Covid backlogs**

- Alongside reference to a number of policy initiatives including the reform to Social Care and additional funding for health and social care, the government has indicated it will publish draft legislation to reform the Mental Health Act.

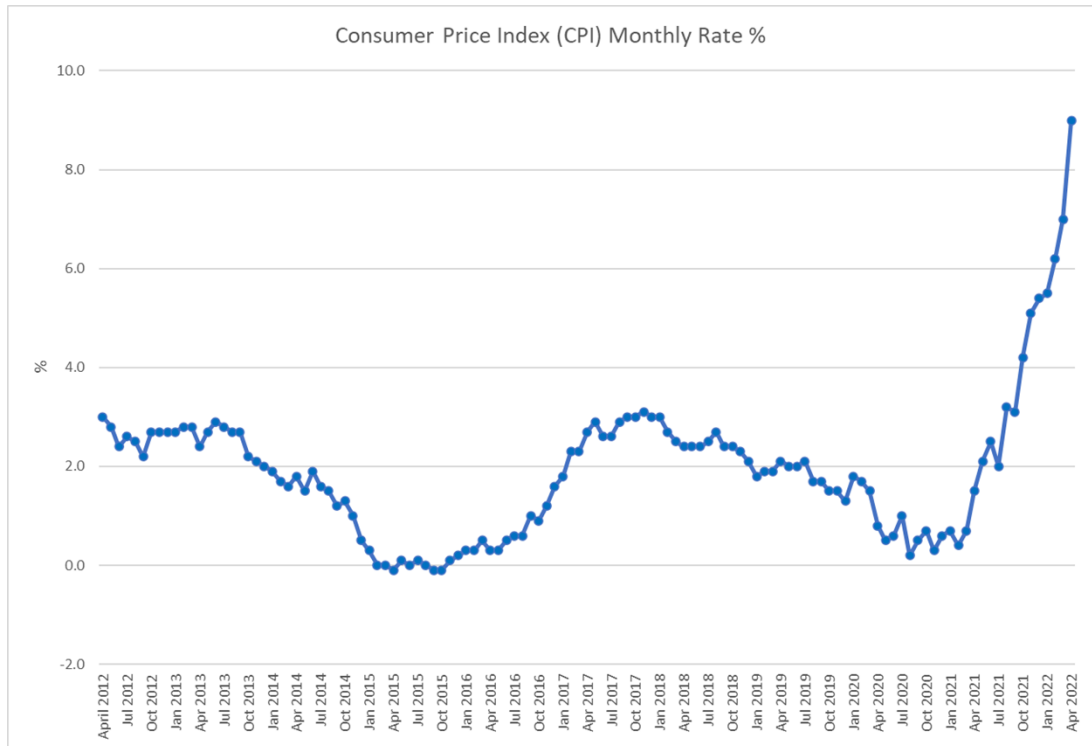
**d) Providing the leadership needed in challenging times**

- A total of 7 new Bills will be introduced under the policy objective covering a range of issues from a Bill of Rights to Freedom of Speech, from Northern Ireland to Animal Welfare.

### 3.3 Inflation

3.2.3. Currently inflation stands at 9% (CPI April 2022) which is 7% above the Bank of England inflation target rate and the highest rate since 40 years. The chart below shows the movement in inflation over the period April 2012 to April 2022.

Chart 1: Consumer Price Index (CPI) Monthly Rate between April 2012 to April 2022



Source: ONS CPI Inflation April 2022

3.2.4. The impact of the on-going inflation increases combined with the cost of living crisis and rising energy prices are starting to have significant impact on the local and national economy. The Council is not immune to this and will also be impacted. Below is list of key service areas or contracts that have been identified to have a financial impact in-year.

- a) Social care services - across both adults and children services are expected to be faced with additional in-year costs in relation to higher fees to care providers to offset their rising costs of running care homes.
- b) Home to School Transport - cost increases driven predominately by the rising fuel prices.
- c) Construction Costs - the soaring cost of construction materials means the costs of delivering capital projects is at risk of increasing which will impact both the General Fund and Housing Revenue Account (HRA) programmes. At the moment most contractors are trying to absorb such costs within their

project budgets through the use of project contingency. However, as inflation keeps rising there is a higher probability that developers/providers will passport some of these costs onto the Council. Although this will be dependent on individual negotiations and contract terms such cost increases could have an impact on the Council's treasury management budgets and borrowing requirements which may require the Council to review, defer and/or reprioritise capital projects in order to balance the overall budget.

- d) Private Sector Rental Market - landlords may seek to increase rents in line with inflation which can lead to additional costs due to the availability of genuinely affordable private rented properties which could lead to increased homelessness caseload requiring the need for temporary accommodation and use of bed and breakfast. In addition, if the Local Housing Allowance does not rise in line with inflation this could impact council budgets due to the differential between the rent income and cost of property lease in relation to temporary accommodation.
- e) Pay Inflation – The following proposals have been put forward by unions to the National Joint Committee (NJC) for consideration as part of the annual pay award review:
  - A substantial increase with a minimum of £2,000 or the current rate of RPI - whichever is greater - on all spinal column points
  - 11.1% for Chief Officers

3.2.5. As part of the annual budget process for 2022/23 the following inflation has been set aside in-year for inflation:

- £3.475m (2.5%) for pay inflation
- £1.200m for contract inflation

3.2.6. It is recognised that although this may not be sufficient to fully fund all inflation driven pressures borne by the Council, officers will flag pressures to the Senior Leadership Team (SLT) and Members via the in-year financial monitoring process to ascertain the impact. Where required SLT will look to put in place measures and corrective action that continues to deliver a balanced budget for the year. Where such actions cannot fully meet the financial pressures, the Council will need to use its cash reserves to balance its budget in 2022/23. Any recurring cost pressures will need to be considered as part of the 2023/24 MTFS and budget process.

3.2.7. Global price increases and spiralling inflation are having a major impact on these day-to-day services and construction projects and the Council could be faced with extraordinary additional costs at a time when budgets are already under strain. Councils have a legal obligation to balance their budgets and have very little scope for meeting these pressures without cutting services,



cancelling or delaying major infrastructure projects, proposing council tax rises next year or using one-off reserves. With inflation likely to rise even further and remain high for the foreseeable future, councils face a winter of difficult decisions unless financial support is provided by government to offset these extraordinary additional extra costs.

### **3.4 Interest Rates**

3.4.1 Over the last year the Bank of England has increased interest rates by 1% between 16 December 2021 to 16 June 2022 to 1.25%. The Bank of England Monetary Policy Committee are expected to review this next on 4 August 2022.

3.4.2 Officers will be observing the increase in interest rates on councils borrowing requirement and will feed this into the quarterly financial position and the 2023/24 MTFs and budget process.

### **3.5 New Health and Social Care Reforms**

#### **Overview**

3.5.1 In September 2021 the government announced funding reforms for adult social care to be funded through the introduction of a new UK wide 1.25% Health and Social Care Levy, based on NI contributions, funding for which has only been provided on a one-off basis within the new Services Grant.

3.5.2 In December 2021, the government published a white paper 'People at the Heart of Care' which outlined a 10-year vision to put personalised care and support at the heart of adult social care, ensuring that people:

- Have the choice, control and support they need to live independent lives
- Can access outstanding quality and tailored care and support
- Find adult social care fair and accessible

3.5.3 This white paper established the main pillars of investment and transformation of the adult social care system over including:

- Housing and home adaptations
- Technology and digitisation
- Workforce training and wellbeing support
- Support for unpaid carers, and improved information and advice
- Innovation and improvement

3.5.4 As part of the Chancellor's autumn budget a total of £5.4bn was announced for adult social care reform over the spending review period.

#### **Health and Social Care Act**

3.5.5 Regulations to support this are now included in the Health and Care Act which gained Royal Assent in April 2022. The Act puts into legislation the new arrangements, both borough based and within sub regional NHS structures,

which already exist in shadow form in Ealing and the North West London region, supported by the Integrated Care Partnership arrangements already in place.

3.5.6 Social care reform sets out the long-term aspirations for how people will experience care and support in the future. To ensure that everyone:

- has choice, control and support to live independently
- can access outstanding quality and tailored care and support
- finds adult social care fair and accessible.

3.5.7 Social care reform also sets out:

- Long-term vision for adult social care workforce.
- Ambition to ensure availability of sufficient choice of housing options.
- Proposals to improve information, advice and support services for people with informal caring responsibilities.

### **Social Care Charging Reforms**

3.5.8 The most significant changes proposed involve changes to the way people pay for their care and support. From October 2023:

- No one will have to pay more than £86,000 for their personal care costs. Currently there is no limit on how much you might pay.
- Individuals with less than £100,000 in savings and assets are likely to be eligible for help from their local council with their care costs. Currently only those with less than £23,250 are eligible for state support.
- More people will be able to ask their local council to arrange their care for them to give them a choice of better value care.

3.5.9 The reforms will increase demand for social care assessments and financial assessments from self-funders who will be eligible to have a care account to track their progress towards the new £86,000 cap. Once they have hit the cap the Council will have responsibility to arrange care and reassess any on going financial contribution towards those costs. In addition, the increase in the savings and assets thresholds from £23,250 to £100,000 means that more people will be eligible for financial assistance from the Council. In order to manage this new demand, the government is advising that councils set up a process for early identification and assessment of self-funders from 1 April 2023, ahead of the reforms taking effect from 1 October 2023. A non-ringfenced grant for implementation of the social care charging reforms has been allocated in this year for this purpose.

3.5.10 This grant is designed to cover the planning and preparation costs associated with charging reform to recruit additional staff to manage the increased demand for assessments and the implementation of the care account module. Based on current planning estimates, the implementation grant is not sufficient to meet the anticipated levels of additional resource required.

### **Fair Cost of Care**

- 3.5.11 A sustainable care market is fundamental to underpinning the ambition set out in the white paper published in December 2021. To support this commitment, a grant for 'Market Sustainability and Fair Cost of Care Fund' was announced in the finance settlement.
- 3.5.12 To prepare the market, government expects Councils to:
- conduct a cost of care exercise for only those providers within its borough to determine the sustainable rates and identify how close they are to it
  - engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market (particularly the 65+ residential care market, but also additional pressures to domiciliary care)
  - strengthen capacity to plan for, and execute, greater market oversight and improved market management to ensure markets are well positioned to deliver on our reform ambitions
  - use this additional funding to genuinely increase fee rates, as appropriate to local circumstances.
- 3.5.13 The following are the key conditions the Council needs to meet with regards to 'Market Sustainability and Fair Cost of Care Fund'
- Submission of Cost of Care, Market Sustainability Plan and spend return in October 2022
  - 75% of the funding in 2022/23 to be spent toward rate fee increases paid to providers in scope (65+ care homes and 18+ homecare).

### **Integration with Health**

- 3.5.14 Integrated Care Systems (ICSs)
- ICS will comprise an NHS Integrated Care Board and a Borough Based Partnership.
  - ICB's will be established as statutory bodies in England and will be responsible for the day to day running of the NHS, while the Borough Based Partnership will develop an integrated care strategy to address the system's health, public health and social care needs.
- 3.5.15 There are two forms of integration that will be enshrined in legislation:
- 1) integration within the NHS to enable NHS organisations to work together across a system; and
  - 2) integration between the NHS, local authorities and other partners to deliver improved outcomes for health and wellbeing of their populations.
- 3.5.16 The ICB and relevant council will be required to establish a Borough Based Partnership, bringing together wider partners across the NHS, social care, public health and wider stakeholders.

### **Integrated Care Board (ICB)**

3.5.17 Putting ICBs on a statutory footing will give them decision-making powers and responsibilities for NHS system performance, delivery and sustainability. It will also allow NHS England to have an explicit power to set a financial allocation or other financial objectives at a system level.

3.5.18 The ICB will be responsible for:

- The day to day running of the NHS and have specific requirements to develop a plan to meet the health needs of the population within their area
- To set the strategic direction of the system and develop a capital plan for NHS providers in their system
- Meeting the whole system financial objectives which require financial balance to be delivered.
- It will also take on the commissioning functions of clinical commissioning within its boundaries and some of those of NHS England.
- Delegating commissioning and functions to place level partnerships and provider collaboratives.

### **Borough Based Partnership (BBP)**

3.5.19 The BBP (also known as the Integrated Care Partnership) is a key role which will develop an integrated care plan to address the health, social care and public health needs in its system, to which each ICB and the council will be required to have regard.

3.5.20 Membership of the BBP could include representatives of Health and Wellbeing Boards (HWBs), local Healthwatch organisations, the voluntary and community sector, social care providers, housing providers and other partners involved in health and wellbeing.

### **Other New Duties**

3.5.21 The Act introduces a new duty for the Care Quality Commission to conduct reviews of councils regulated adult social care functions and assess councils' performance and publish a report of its assessment.

### **Financial Impacts of the new Health Social Care Reforms**

3.5.22 The Council has received a total of £1.064m one-off funding in 2022/23 of which £0.957m is the 'Market Sustainability and Fair Cost of Care Fund' ring fenced grant and £0.107m as a non-ringfenced grant for implementation of the social care charging reforms.

3.5.23 Officers are currently working on producing the fair cost of care which would help identify funding pressures with regards this element of the reform. As further details of respective policies and guidance are released a financial implication assessment will need to be undertaken in collaboration with London

Council's to determine the impact on the Council's finances.

3.5.24 There is a high risk that any potential the funding allocated through the local government finance settlement may not be sufficient to cover the additional costs likely to be incurred by councils. These concerns have been expressed by the Local Government Association as part of their original feedback earlier in the year.

3.5.25 Any additional funding is not intended to deal with the pressures arising from additional demand, complexity of demand and associated costs and there are concerns across the sector around increased demand, particularly flowing from the pandemic.

### 3.6 2022/23 Budget and MTFS 2023/24 to 2025/26

3.2.8. The MTFS, covering the 4-year period 2022/23 to 2025/26, was approved by Cabinet and Council in February and March 2022 respectively. It reflects the impacts of central government funding decisions, analysis of advice and information from relevant organisations and the effects 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.

3.2.9. By necessity, the MTFS is updated to reflect changing circumstances, updated priorities and ambitions, the latest financial situation and external factors such as Government funding settlements. Uncertainty regarding the impact of postponed local government funding reforms (business rates baseline funding reset and the Fair Funding Review) and widely anticipated economic recession that is likely to follow the pandemic present significant risks. This in turn creates a high degree of uncertainty both within and beyond 2022/23. 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.

3.2.10. The table below summarises the MTFS forecasts for 2022/23 to 2025/26 and confirms the forecast budget gap of £22.718m, £23.982m and £24.533m for the years 2023/24 onwards.

Table 1: 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) Summary

MTFS 2022/23 to 2025/26	2022/23	2023/24	2024/25	2025/26
	£M	£M	£M	£M
Total Funding	(256.587)	(255.547)	(260.724)	(265.379)
Net Budget Requirement	253.087	274.765	303.924	333.112
Contributions to (+) / from (-) reserves	3.500	3.500	3.500	3.500
Net Budget Requirement after Reserves	256.587	278.265	307.424	336.612
<b>Forecasted Budget Gap - Incremental</b>	0.000	22.718	23.982	24.533

Forecasted Budget Gap - Cumulative	0.000	22.718	46.700	71.233
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Source: Budget Strategy & MTF5 2022/23 to 2025/26 - February 2022 Cabinet

### 3.3. **General Fund Balance**

3.3.1. For 2022/23 the Council's General Fund balance was set at its risk-assessed target level of £15.919m. Having reviewed the current financial challenges being faced as a result of the pandemic, the Chief Finance Officer, as the Council's Section 151 Officer, has considered the level of General Fund Balance very carefully. In conjunction with the annual budgeted contribution of £3.5m to reserves the General Fund balance of £15.919m is assessed to be adequate at the level given, in view of the risks the Council is facing and considering Ealing's spending history. The adequacy of reserves will continue to be reviewed annually and given the unknown financial long-term impact of the pandemic it is particularly difficult to determine accurately.

### 3.4. **Adequacy of Reserves**

3.4.1. The Council also sets aside funding in reserves for specific purposes and to mitigate financial risks as part of the budget planning and monitoring process. At 31 March 2022 the Council's General Fund earmarked reserves (excluding COVID-19 grant and other technical reserve balances) totalled £79.021m, of which £39.603m relates to un-ringfenced reserves.

3.4.2. With the exception of the last few years the Council has previously seen its reserve balances reducing year on year and whilst prudent and appropriate for the typical budgetary requirements and normal challenges faced by Ealing, they are not meant to nor have the capacity to deal with significant pressures and nor should reserves be fully depleted without very careful consideration of the impact on future years.

3.4.3. As such, the Council needs to continue to act in a prudent manner and reduce the reliance on reserves in year, and importantly, not commit to any expenditure that could expose the Council to any risk that may ultimately result in further reserve commitments being required.

3.4.4. Reliance cannot be placed on reserves as a funding strategy for 2022/23 onwards. Recurring revenue savings from service areas or new income streams must be found to meet the forecast budget gap. Further reviews of reserves will be undertaken during 2022/23 as part of the MTF5 process, however it should be noted that reserves including the use of General Fund balance will only be no considered as a last resort and in exceptional cases in order to fulfil the statutory obligation to set a balanced budget.

## 4. **Approach to Budget Setting**

3.5. As set out above, the postponement of funding reforms and the absence of

government spending plans mean that there is maximum funding uncertainty, making the preparation of medium-term financial plans highly complicated and speculative.

### 3.6. **Delivering Administration Priorities**

3.6.1. The budget process is priority-led, aligning the allocation of resources with the priorities of the Administration. There are three key new Administration priorities for Ealing covering the MTFS period:

- Creating good jobs
- Tackling the climate crisis
- Fighting inequality

3.6.2. Alongside the MTFS the Council Plan is the council's key strategic planning framework. The Council is developing an updated council plan for the period 2022-26 aligned to the priorities in the Labour manifesto and reflecting other requirements on the Council including demand pressures and statutory requirements. This will be presented to Full Council in July 2022 and will identify key year one deliverables.

3.6.3. The key priorities set out above are supported by nine priority outcomes delivered via the Future Ealing programme. The nine ways to make the borough better are:

- Tackling inequality
- Climate action
- Decent living Incomes
- Inclusive economy
- Genuinely affordable homes
- Good growth
- Thriving communities
- A fairer start
- Healthy lives

3.6.4. Priority programmes to deliver on these priorities is managed through the Future Ealing governance and include:

- Housing Delivery Programme - successfully meeting the 2,500 genuinely affordable homes programme in the period 2018-22 and now working towards a target of 4,000 for the period 2022-26.
- The Better Lives adults programme - seeking to maximise independence for vulnerable and older adults and prepare for the national social care reforms.
- Children's programme - seeking to deliver good outcomes for vulnerable young people and care leavers.

- Homelessness programme - seeking to prevent homelessness and provide increased suitable accommodation for families who are homeless.
- Digital programme - making it easier for residents to access services with 86 of council services now online and over 150,000 resident and business 'my accounts' created.

3.6.5. These are alongside the commitment of the new Administration to deliver London Living Wage, Ethical Charter and Social Value.

### 3.7. **Future Ealing Outcomes**

3.7.1. The Council will continue to use Future Ealing as a vehicle for delivering the 2023/24 and future years budget strategy.

3.7.2. The Future Ealing budget strategy contains two main strands:

#### 1) **Future Ealing Outcomes**

Continued drive on Future Ealing outcomes and the associated savings that this approach brings.

#### 2) **Modern Council**

The focus of Modern Council is to identify opportunities to create more integrated and joined-up operations; deliver optimal support services; make more effective use of technology; adopt a more commercial approach; and ensure the effectiveness and efficiency of internal business processes.

### 3.8. **Key Deliverables and Objectives**

#### 1) **Set and Deliver a Balanced Budget**

Councils are required to deliver a balanced budget each year ensuring that the projected expenditure and commitments can be matched by the available resources in year. Over the last three financial years the government has only announced one-year settlements for Local Government.

Against the current backdrop of the cost of living crisis exacerbated by the rising inflation and energy prices, council services continue to operate in a challenging resource environment where small demand change can lead to material budget variances.

In addition to this, postponement of funding reforms, implementation of new health and social care reforms and the absence of detail government spending plans mean that there is maximum funding uncertainty, making the preparation of medium-term financial plans highly complicated and speculative.



In response to these challenges, it is necessary for the Council to consider and implement a set of measures that look to deliver a balanced budget. These measures could in some instances not deliver on the objectives of Future Ealing but are a necessary approach to set a balanced budget.

## **2) Maximise Future Ealing as a Transformational approach for the Organisation**

The Council continues to use Future Ealing as a vehicle for delivering the 2023/24 and future years budget strategy as far as it is able to do so.

At times there may be a need to change or stop the status quo in order for the Council to do new or different things.

This will enable the Council to embed a culture that supports its residents and staff in accessing and receiving a more efficient and effective service through new ways of working which include flexible/remote working and digital platform that help the Council to unlock resources and opportunities to deliver services differently.

## **3) Supporting Implementation of Administration Priorities**

In parallel to the above objectives, the Council will support implementation of administration priorities.

## **4) Ensure safe and effective delivery of any COVID-19 response**

This is to ensure that any proposals and options being developed and implemented do not adversely impact the Council's continued ability to respond to recovery phase of COVID-19 but can also look to delivering the response at a cost neutral basis (where applicable).

### **3.9. Developing Proposals**

- 4.5.1. The project management team are currently developing a process in consultation with Senior Leadership Team (SLT), Finance and Members that will identify options of delivery including procuring external support and expertise to build on and enhance the current in-house capacity. The agreed approach will look to provide support to services in identifying opportunities for transformation and saving proposals, driving improved value for money and developing options and business cases within the agreed timescales, and contribute to allowing the Council to approve a balanced budget in February 2023.

## **5. Medium Term Financial Strategy (MTFS) and 2023/24 Budget Update**

- 3.10. As noted above, against the current backdrop of the cost of living crisis exacerbated by the rising inflation and energy prices, postponement of funding reforms and the absence of government detail spending plans mean that there

is maximum funding uncertainty, making the preparation of medium-term financial plans highly complicated and speculative.

- 3.11. Uncertainty regarding future government funding, the widely anticipated economic recession that is likely to follow the pandemic and current cost of living crisis present significant risks. In addition to potential funding reductions, there is also the potential for significant spending pressures from demand-led services, specifically in Looked After Children’s, Children’s’ with Disability, Special Educational Need (SEN) transport, Adults service, Homelessness and new burdens which impact on the budget. Although some growth has been built into the MTFS to help alleviate some of these pressures, they continue to present a significant budget risk, particularly when all of this is taken in together with inflation rises, cost of living crisis continued demographic and contractual pressures.
- 3.12. The MTFS and budget strategy continues to be compiled in a period of unprecedented financial uncertainty. As such an estimate beyond one-year is very much speculative until details of a multi-year settlement are known. Therefore, the 2023/24 budget gap has been reviewed and updated through undertaking financial scenario planning, the details of which are set out in paragraph 4.9.
- 3.13. As part of an early insight prior to completing Quarter 1 budget monitoring and forecasting processes, a number of key assumptions and estimates, along with known changes, have been modelled in the updated MTFS for 2023/24. The sections of this report below provide an update to the budget gap position for 2023/24.

## 5.5. Scenario Modelling – 2023/24 Budget Gap

- 5.5.1. As set out above, due to the current period of unprecedented financial uncertainty and rising inflation and impact of cost of living, the 2023/24 budget gap has been assessed against three scenario cases with ‘scenario 2b’ being taken forward as the updated budget gap for 2023/24.

Table 2: 2022/23 Budget Gap Sensitivity Modelling

2023/24 MTFS Scenario Planning	Scenario 1	Scenario 2		Scenario 3
		2a	2b	
	£M	£M	£M	£M
<b>Net cost of Services</b>	<b>(2.587)</b>	<b>(2.587)</b>	<b>(2.587)</b>	<b>(2.587)</b>
Priority Growth	11.797	7.797	16.797	22.797
<i>Pay Inflation</i>	5.170	8.845	8.845	12.720
<i>Contract Inflation</i>	5.497	9.359	9.359	14.093
Subtotal: Inflation	10.667	18.204	18.204	26.813

2023/24 MTFS Scenario Planning	Scenario 1	Scenario 2		Scenario 3
		2a	2b	
	£M	£M	£M	£M
Levies	1.322	1.322	1.322	1.322
Corporate Items including Treasury Management	3.094	3.499	3.499	3.904
Centrally Held Grants	9.051	9.051	9.051	9.051
<b>Net Centrally Held Budgets</b>	<b>35.931</b>	<b>39.873</b>	<b>48.873</b>	<b>63.886</b>
<b>Net Budget Requirement</b>	<b>33.344</b>	<b>37.286</b>	<b>46.286</b>	<b>61.300</b>
Core Funding	1.040	1.040	1.040	1.040
<b>Indicative 2023/24 Budget Gap Total</b>	<b>34.385</b>	<b>38.326</b>	<b>47.326</b>	<b>62.340</b>
Local Government Finance Settlement (cash flat at 2022/23 levels)	(9.051)	(9.051)	(9.051)	(9.051)
<b>Indicative Revised 2023/24 Budget Gap Total</b>	<b>25.334</b>	<b>29.276</b>	<b>38.276</b>	<b>53.289</b>

5.5.2. Whilst the range of the budget gap for 2023/24 is between c£25m to c£53m, the current working estimate of the 2023/24 budget gap is being increased to c£38m.

## 5.6. Government Funding

5.6.1. The February 2022 actual for 2022/23 has not changed and reflects the final settlement position, announced in January, which is reflected in the Net Budget Requirement set out in table 1 above. As set out above, there is a high degree of uncertainty of what the local government finance settlement will contain both within and beyond 2023/24.

5.6.2. Over last three years, the Council has always received additional grant that has facilitated the Council in closing its budget gap albeit that it has been announced as typically one-off funding. Given the historic context, the Council can assume that a similar value may come forward again in 2023/24. As such the Council has included in its scenario planning the assumption that a similar level of grant funding will be received in 2023/24. At this time, it is financially prudent for the Council to work within these assumptions. As the Council understands the 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 this financial year. Any adverse settlement would therefore require the Council to change the current budget gap and take rapid action to ensure that it can set a balanced budget for 2023/24.

## 5.7. Collection Fund

- 5.7.1. Over the pandemic the Council saw significant losses in its income collection in relation to council tax and business rates in 2021/22. Ealing were 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 partly compensated for their losses. The financial impact is shown below.

### **General Fund Budget Impact**

- 5.7.2. As at 31 March 2022 Collection Fund reported a gross overspend of c£40m (Ealing's share), of which c£26m is being funded through additional section 31 grants in relation to the retail and leisure relief and c£5m from the 75% income compensation mechanism. This leaves the Council to fund a net loss of c£9.4m from the General Fund. The table below sets out the current profile of the budgeted impact.

*Table 3: 2022/23 Budget Impact of the Estimated Collection Fund Deficit as at 31 March 2022*

General Fund Impact for Ealing	£M			
	2021/22	2022/23	2023/24	Total
Council Tax	(2.451)	4.331	2.530	4.410
Business Rates	2.969	(0.263)	2.302	5.008
<b>Estimated Budget Impact</b>	<b>0.517</b>	<b>4.068</b>	<b>4.832</b>	<b>9.417</b>

- 5.7.3. At the time of setting the budget in February 2022, the loss was estimated to be £8.652m which has increased to £9.417m mainly due to a combination of change in the income loss mechanism calculation updated by DLUHC and recovery rates. Council will look to manage the increased pressure through combination of reserves and or in-year savings.

### **Business Rates**

- 5.7.4. The Council's MTFS has assumed to retain 30% of the estimated business rates over the MTFS period, in line with current retention scheme.

## **5.8. Council Tax and Adult Social Care Precept Options 2023/24**

- 5.8.1. Each year the government determines the limit at which council tax increases would be excessive and therefore require a referendum. The referendum limit for 2022/23 was 1.99% for core Council Tax and up to 1% for the Social Care Precept.
- 5.8.2. At this point there is no indication from Government what (if any) limits are proposed on council tax increase in 2023/24 and proposals on the Social Care precept.
- 5.8.3. There is a nil forecast included within the current MTFS for 2023/24 and beyond with regards to council tax and social care precept increases.

5.8.4. For illustrative purposes, a 1.99% social care precept equates to c£3.16m, a 1% core council tax increase (in line with 2022/23 powers) equates to c£1.59m. When combined this amounts to c£4.75m.

## **5.9. New Revenue Growth and Service Pressures**

5.9.1. From an MTFs perspective there are a number of areas where it is sensible to make provisional estimates for growth, such new areas that will need to be factored into 2023/24 that are not currently taken include:

- Provision for growth required to address service pressures, inflation and increase in energy costs. It should be noted that included in the MTFs summary at table 1 above, there is some provision for service growth but not to the level in previous years.
- Growth required to address service pressures through changes in operational delivery model such full-year effect of the Perceval House Decant revenue costs.
- Provision for growth required to address commitments set out in the 2022/23 Budget Amendment report approved by Cabinet in May 2022.
- Growth required for capital investment to address health and safety pressures as well as meeting administrative priorities.

5.9.2. The updated MTFs budget gap of c£38m includes a total forecast of £17m (excluding inflationary pressures), an increase of c£12m from the original budget gap as approved by Cabinet in February 2022. Officers will continue to monitor the level and recurring nature of service pressures in-year and will have to pursue all options to mitigate pressures on a permanent basis, which will need to determine the appropriateness of including new growth in addressing said pressures. The resultant effect of new growth capacity to address these pressures would be reviewed and updated during the year, therefore in order to allow for more growth provision would require saving target to be increased to accommodate updated assumptions.

5.9.3. This presents a very real risk to the financial stability of the authority and in a similar way to the potential impact of the settlement being adverse, the manifestation of pressures at current levels without further mitigation would require new savings to be found to ensure a balanced budget can be set.

## **5.10. Summary Impact of Changes**

5.10.1. The table below provides an updated position of the MTFs for 2023/24 to 2025/26 as at February 2023, which has changed by £16m, reflective of the items noted above.

Table 4: 2022/23 to 2025/26 Updated Medium Term Financial Strategy Summary

MTFS 2022/23 to 2025/26	2022/23	2023/24	2024/25	2025/26
	£M	£M	£M	£M
Total Funding	(256.587)	(255.547)	(260.724)	(265.379)
Net Budget Requirement	253.087	290.323	319.482	348.670
Contributions to (+) / from (-) reserves	3.500	3.500	3.500	3.500
Net Budget Requirement after Reserves	256.587	293.823	322.982	352.170
<b>Forecasted Budget Gap - Incremental</b>	0.000	38.276	23.982	24.533
Forecasted Budget Gap - Cumulative	0.000	38.276	62.258	86.791

5.10.2. Assumptions will continue to be stress tested against various scenarios in parallel to the budget process. Changes to the budget gap will continued to be reported in accordance with the timetable set out in section 8 below.

5.10.3. The updated indicative budget gap for 2023/24 of c£38m, 2024/25 of £24m and 2025/26 of £25m will be delivered through the Future Ealing programme, whilst continuing focus in reducing the level of growth requirements in 2022/23. Specific saving proposals will be brought to Cabinet for approval in line with the timetable, detailed in section 8 below.

5.10.4. Members are asked to consider and agree the updated MTFS for 2023/24 and beyond as set out in table above, 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 on the basis of prudent scenarios in the absence of such clarity.

## 6. Capital Investment Proposals

6.1. As detailed in the 2021/22 Revenue and Capital Outturn Report to Cabinet in June 2022, the revised Capital Programme for the period 2022/23 to 2026/27 totalled £1,061.852m. A summary of the capital programme as at 31 March 2022 is set out in the table below.

Table 5: 2022/23 to 2026/27 plus Capital Programme Summary

Capital Programme Summary	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27 +	Total
	£M	£M	£M	£M	£M	£M
General Fund	330.831	135.220	106.037	79.658	58.666	710.412
HRA	66.186	69.530	93.744	75.587	46.393	351.440
<b>Total</b>	<b>397.017</b>	<b>204.750</b>	<b>199.781</b>	<b>155.245</b>	<b>105.059</b>	<b>1,061.852</b>

Source: Revenue and Capital Outturn 2021/22 – June 2022 Cabinet

## **6.2. Capital Growth**

6.2.1. The planning assumption for the capital programme in 2022/23 onwards is for a net neutral impact on the General Fund. Further work will be undertaken as part of the budget process to assess each business case against set of agreed criteria which will look to ensure that any investment requiring financing is affordable.

6.2.2. The new investment will prioritise any capital spending required to meet council priorities set out in the updated Council Plan and unavoidable Health and Safety and any funds remaining will be allocated against other priorities agreed as part of the budget setting process.

## **6.3. Invest to Save Proposals**

6.3.1. The Council's invest-to-save mechanism will remain in place in 2023/24. It allows services to drive innovation in service provision, by delivering budget savings that are allocated in part to replenish the Invest-To-Save Reserve. Proposals are anticipated to be developed within the scope of the planned Outturn Reviews and other savings initiatives.

## **7. Housing Revenue Account (HRA) Budget Strategy**

7.1. In 2021/22, the HRA closed with a balanced position with no movements to reserves, leaving an unchanged general balance of £4.926m, above the 5% minimum of the total budgeted income HRA balance approved by Cabinet. In 2022/23, the HRA had a budgeted a gross expenditure of £73.624m.

7.2. The Council continues to invest, over the medium term, in its housing stock. This includes a regeneration and improvement programme on Copley Close, continuation of the council new build scheme, enabling of the estate regeneration programme, investment in sheltered housing and significant environmental works to other estates, as well as other revenue-based service initiatives. The HRA continues to manage its properties in challenging environment, in light of increased take up of Right to Buy applications, longer term delivery of the Estate Regeneration programme.

7.3. Going forward, the HRA will ensure more efficient and timely delivery of the HRA capital programme whilst generating more value for money on its revenue expenditure. The cost of the current 5-year approved HRA capital programme to 2026/27 is £351.440m and will fund major schemes including a comprehensive health and safety, compliance, stock improvement programme, large scale Estate Regeneration and development of the Council New Build programme.

7.4. The HRA budget strategy will be presented to Cabinet for review in December

2022.

## 8. Budget Process and Timetable

- 8.1. The Council has a well-established Budget Review Process that integrates financial planning with corporate planning and considers the wider impact on the community through equalities impact assessments.

Table 6: Budget Activity Timetable

Date	Activity
November 2022	<ul style="list-style-type: none"> <li>• Comprehensive Spending Review Update <i>(date yet to be confirmed)</i></li> </ul>
December 2022	<ul style="list-style-type: none"> <li>• Provisional Local Government Finance Settlement</li> <li>• Cabinet report reflecting the updated MTFS forecasts and funding position, including savings proposals</li> <li>• Council decision to approve updated Flexible Use of Capital Receipts policy <i>(if required)</i></li> <li>• Cabinet report to approve HRA budget for 2023/24 and 30-year business plan (including capital programme)</li> </ul>
January 2022	<ul style="list-style-type: none"> <li>• <i>Final Local Government Finance Settlement (provisional)</i></li> <li>• Cabinet report to approve HRA budget for 2021/22 and 30-year business plan (including capital programme)</li> <li>• Section 151 officer agrees Tax Base and forecast Collection Fund surplus under delegated authority</li> </ul>
February/March 2022	<ul style="list-style-type: none"> <li>• Consultation with Ealing Business Partnership</li> <li>• Budget proposals to Cabinet and Overview &amp; Scrutiny Committee</li> <li>• Cabinet considers final budget proposals and makes recommendations to Full Council</li> <li>• Council approves Budget &amp; Council Tax for 2023/24</li> </ul>



## **9. Legal**

- 9.1. The Council has a legal duty to set a balanced budget.
- 9.2. The Council is required to monitor and review, from time to time during the year, its income and expenditure against budget, using the same figure for financial reserves. If, having conducted the review, it appears to the Council that there has been a deterioration in its financial position, it must take such action, if any, as it considers necessary to deal with the situation, and be ready to take action if overspends or shortfalls in income emerge. (Section 28 of the Local Government Act 2003).

## **10. Value for Money**

- 10.1. Managing within budget and the achievement of efficiency savings are key responsibilities of budget managers, identified as such in their performance objectives, which have helped promote the Value for Money (VFM) culture.
- 10.2. The budget process sets the approach, providing the framework in which the Council can look to improve performance and achieve better VFM through the council's financial and policy frameworks such as contract procedure rules and social value.

## **11. Sustainability Impact Assessment**

- 11.1. Not applicable.

## **12. Risk Management**

- 12.1. Under Section 25 of the Local Government Act 2003, the S151 Officer is required to provide his statutory advice to Council, in the annual budget report and their view of the robustness of the budget estimates. Budget estimates are exactly that, estimates of spending and income at a point in time. At the time of setting the 2022/23 budget the S151 officer provided Full Council with reasonable assurance that the budget has been based on the best available information and assumptions at the point in time.
- 12.2. Council is faced with an uncertain financial climate over the short to long term which presents a high risk to the authority and there remains potential for further, as yet unrecognised, risks such as impact of rising inflation and energy prices, social care demand. It is important that the Council continues to maintain its spending within budget, puts in place corrective action or spend measures to contain spend within the resources available. Taking into account the budget risks and uncertainties, and assuming that the recommendations set out above are agreed, the Council's contingency and balances are still considered prudent. However, Cabinet's attention is drawn to the need for

close monitoring of the budget and, in particular, the achievement of savings. It will be essential for the Senior Leadership Team (SLT) to continue to exercise a firm financial management throughout the year to ensure that expenditure is contained within budget and targets for service improvements and savings delivery are met.

12.3. Given the uncertainties of the economic environment and the anticipated scale of the expenditure reductions required in the short to long term, there are inevitably significant risks involved in delivering balanced budgets over the short to medium term. Key strategic risks will be:

- included in the Corporate Risk Register;
- regularly reported to Audit Committee;
- reviewed through quarterly budget updates reports to Cabinet of 2022/23 financial position; and
- reviewed through updated Budget and MTFs Strategy reports to Cabinet.

12.4. 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 Local Taxation service with the Finance Strategy Group.

12.5. The most immediate risk to the budget process are:

- Cost of living, rising inflation and energy prices;
- 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.

12.6. 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.

12.7. 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.

### **13. Community Safety**

13.1. Not applicable.

### **14. Links to Strategic Objectives**

14.1. The Council's MTFS, budgets, capital programme and capital strategy are designed to deliver the Council's strategic priorities. The proposed budget amendment for 2022/23 will continue to address the delivery of national and local priorities.

### **15. Equalities, Human Rights and Community Cohesion**

15.1. 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.

15.2. 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.

#### **15.3. Equalities Analysis Assessments (EAAs)**

15.3.1. Where proposals will have equalities implications an EAA is required. 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.

### **16. In Regard to the Council's Public Law Duties**

16.1. 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.

**17. Staffing / Workforce and Accommodation Implications**

17.1. Not applicable.

**18. Property and Assets**

18.1. 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.

**19. Consultation**

19.1. Consultation may be required in relation to some of the budget proposals set out in this report. Where this is the case, the consultation will be undertaken in accordance with legal requirements 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.

**20. Timetable for Implementation**

20.1. Upon approval of the budget amendment, council officers will undertake the necessary steps to agreeing the detailed implementation plans with their relevant Portfolio Holders and put in action the steps required to implementing the agreed priorities within the approved budget.

**21. Appendices**

21.1. Not applicable.

**22. Background Information**

- 2022/23 Budget Amendment – Cabinet 18 May 2022
- 2022/23 Budget Strategy and Council Tax Resolution – Council 1 March 2022
- Budget Strategy and MTFs 2022/23 to 2024/25 – Cabinet 9 February 2022

## Consultation

<b>Name of consultee</b>	<b>Department</b>	<b>Date sent to consultee</b>	<b>Date response received from consultee</b>	<b>Comments appear in report para:</b>
<b>Internal</b>				
Ross Brown	Chief Finance Officer	22/06/2022	Continuous	Throughout
Councillor Peter Mason	Leader of the Council	23/06/2022	27/06/2022	Throughout
Councillor Steve Donnelly	Cabinet Member for Inclusive Economy	22/06/2022	Continuous	Throughout
Councillor Joshua Blacker	Cabinet Member for Healthy Lives	23/06/2022	27/06/2022	Paragraph 3.5
Paul Martin	Acting Chief Executive	22/06/2022	Continuous	Throughout
Judith Finlay Lucy Taylor	Executive Directors	22/06/2022	Continuous	Throughout
Helen Harris	Director of Legal and Democratic Services	22/06/2022	29/06/2022	Throughout
Kieran Read	Director of Strategy & Engagement	22/06/2022	30/06/2022	Paragraph 4.2
Russell Dyer	Assistant Director - Accountancy	22/06/2022	Continuous	Throughout
Adenike Tilleray	Assistant Director - Commissioning and Use of Resources	27/06/2022	28/06/2022	Paragraph 3.5
Yalini Gunarajah	Finance Manager – Place	29/06/2022	29/06/2022	Section 7
Katherine Ball	Finance manager – Capital and Projects	29/06/2022	30/06/2022	Section 6
Louisa Fearnley	Finance Manager – Financial Control	29/06/2022	0/07/2022	Section 5.7

## Report History

<b>Decision Type:</b> For Decision	<b>Urgency Item?</b> No	
Authorised by Cabinet Date:	Report Deadline:	Date Report Sent:
Member:		
Report no:	<b>Report authors and contact queries:</b> Shabana Kausar, Assistant Director Strategic Finance, 020 8825 7549	