

| PUBLIC ACCOUNTS SELECT COMMITTEE | | | |
|---|-----------------------------|----------|-----------------|
| REPORT TITLE | 2017/18 Budget - DRAFT | | |
| KEY DECISION | Yes | ITEM No. | 7 |
| WARD | All | | |
| CONTRIBUTORS | Head of Corporate Resources | | |
| CLASS | Part 1 | Date | 25 January 2017 |

Lateness: This report was not available for the original dispatch because officers needing additional time to complete their review of the announcements in December on the provisional local government settlement and their budget impacts for 2017/18.

Urgency: The report is urgent and cannot wait until the next meeting of the Public Accounts Select Committee as their feedback on this this report will influence the preparation of the budget report for Mayor and Cabinet on the 8 February.

Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b)(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

1. PURPOSE OF THE REPORT

- 1.1. To present the draft budget report and supporting appendices for scrutiny by the PASC before it is presented to Mayor and Cabinet on the 8 and 15 of February and to Council on the 22 February 2017.
- 1.2. The budget report sets out how the Council will meet its statutory responsibility to set a balanced budget annually in respect of the General Fund. In particular, this involves setting the Council Tax level for the year.
- 1.3. It also puts the budget in context of the wider economic indicators and government policy in respect of local government financing and establishes the Capital Programme, Housing Revenue Account (including rent levels), Dedicated Schools Grant, and Treasury Management Strategy for 2017/18.

- 1.4. In respect of the Treasury Management Strategy the mid-year update for 2016/17, as presented to Mayor & Cabinet in December 2016 is also appended to this report for completeness.

2. RECOMMENDATION

- 2.1. Members are asked to note the draft budget report and supporting appendices as appended to this covering report.

3. BACKGROUND

- 3.1. It is an annual statutory requirement for the Council to set a balanced budget that reflects the priorities and values of the Council. The budget is set in the context of the Medium Term Financial Strategy approved by members, government funding announcements for the sector, and identified local pressures and risks.
- 3.2. The report allows for the Council Tax to be agreed and housing rents to be set for 2017/18. It sets the Capital Programme for the next four years and the Council's Treasury Strategy for 2017/18. Provides an update on the latest financial monitoring forecast to December 2016 and the latest estimates for the Dedicated Schools Grant and Pupil Premium allocations for 2017/18.
- 3.3. The report also provides summary information on the revenue budget savings proposals that were presented at Mayor & Cabinet on 28 September 2016. The approval and successful delivery of these savings are required in order to help balance the budget for 2017/18 and to address the budget requirements for future years.
- 3.4. The report is draft because it has been prepared on the provisional local government finance settlement with the final due in early February and on the draft Greater London Authority precept estimates pending their budget being approved. In addition, consideration of the risks and pressures in the budget based on the latest monitoring information will also be reflected in the final budget and may therefore change. These will be ready for and reflected in the February report for Mayor and Cabinet and onto Council.

4. FINANCIAL IMPLICATIONS

- 4.1. The financial implications are as presented in the budget report appended to this covering report. Members should note these are currently draft as the report is draft and has been prepared on the basis of the provisional local government finance settlement and may therefore change prior to submission to Mayor and Cabinet.

5. LEGAL IMPLICATIONS

- 5.1. The legal implications are as presented in the budget report appended to this covering report. Members should note these are currently draft as the report is draft and has been prepared on the basis of the provisional local government finance settlement and may therefore change prior to submission to Mayor and Cabinet.

6. HUMAN RESOURCES

- 6.1. The human resources implications are as presented in the budget report appended to this covering report.

7. CRIME AND DISORDER

- 7.1. The crime and disorder implications are as presented in the budget report appended to this covering report.

8. EQUALITIES

- 8.1. The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.2. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 8.3. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed at 13.5 above.
- 8.4. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

- 8.5. The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

- 8.6. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

[The essential guide to the public sector equality duty](#)

[Meeting the equality duty in policy and decision-making](#)

[Engagement and the equality duty: A guide for public authorities](#)

[Objectives and the equality duty. A guide for public authorities](#)

[Equality Information and the Equality Duty: A Guide for Public Authorities](#)

- 8.7. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

9. CONCLUSION

- 9.1. This report provides members with the most up to date draft version of the budget report to be presented to Council on the 24 February.

BACKGROUND DOCUMENTS AND FURTHER INFORMATION

For further information on this report, please contact:

David Austin, Head of Corporate Resources on 020 8314 9114