



Report of : Executive Member for Finance

Meeting of	Date	Agenda Item	Ward(s)
Executive	12 th February 2015		
Delete as appropriate	Exempt		Non-exempt

SUBJECT: BUDGET PROPOSALS 2015-16 – COVERING REPORT

1. SYNOPSIS

- 1.1 This report sets out those matters upon which the Executive is being asked to make recommendations to Council in respect of the 2015-16 budget proposals and level of council tax. All other recommendations contained in the substantive report 'Budget Proposals 2015-16' are matters for the Executive to decide itself.

2. RECOMMENDATIONS

The General Fund Budget 2015-16 and MTFS (Section 3 of the Main Report)

- 2.1 To agree the 2015-16 net Council cash limits as set out in **Table 1 (paragraph 3.1.4)** and the MTFS at **Appendix A**, which include the revenue savings in **Appendix B**.
- 2.2 To note the report of the Policy and Performance Scrutiny Committee on 22nd January 2015 in reviewing the 'Budget Proposals 2015-16' and to agree its recommendation for the addition of an invest-to-save scheme comprising the installation of photovoltaic (PV) plates on corporate Council properties (excluding leisure centres, schools and housing, which are subject to ongoing exploration). (**Paragraph 3.1.3 and Appendix B**)
- 2.3 To agree, within the 2015-16 revenue budget, £1.16m from general grant funding to continue to provide a Resident Support Scheme following the reduction in Local Welfare Provision (LWP) funding by the Government on being transferred from specific to general grant, and to note that we will review expenditure on the Resident Support Scheme in the first three months of 2015-16 and supplement this funding as required from the Housing Benefit Reserve up to the level of the LWP funding for 2014-15 (£1.44m). (**Paragraphs 3.2.5 to 3.2.6**)

- 2.4 To note the requirement to report on the number of maintained schools that have completed the Schools Value Financial Standard (SVFS) by 31st March to the Department for Education by 31st May each year. (**Paragraph 3.2.15**)
- 2.5 To agree the fees and charges policy and the schedule of 2015-16 fees and charges. (**Paragraph 3.2.16-17 and Appendix C**)
- 2.6 To agree the Council's policy on the level of General Fund balances and the estimated use of the Council's earmarked reserves. (**Paragraph 3.2.21-22 and Table 3**)

The HRA Budget and MTFs (Section 4 of the Main Report)

- 2.7 To agree the balanced HRA 2015-16 budget within the HRA MTFs at **Appendix D1**.
- 2.8 To note the proposed increases in 2015-16 for HRA rents and other fees and charges. (**Paragraphs 4.4 to 4.9, Table 5 and Appendix D2**)

The Capital Programme 2015-16 to 2017-18 (Section 5 of the Main Report)

- 2.9 To agree the 2015-16 capital programme and note the provisional programme for 2016-17 to 2017-18, which includes funding for an expanded Phase 2 Bunhill heat and power scheme (funded on the expectation that it will be a priority for planning gain from developments in Bunhill). (**Paragraph 5.1, Table 6 and Appendix E1**)
- 2.10 To agree that the Corporate Director of Finance and Resources applies capital resources to fund the capital programme in the most cost-effective way. (**Paragraph 5.3**)
- 2.11 To note the schemes that comprise the Capital Allowance pot of eligible affordable housing and regeneration schemes. (**Paragraph 5.4 and Appendix E1**)
- 2.12 To note the schedule of planned Traffic and Transportation schemes in 2015-16 and agree the related decision-making responsibilities for these schemes. (**Paragraph 5.5 and Appendix E2**)

Treasury Management Strategy (Section 6 of the Main Report)

- 2.13 To agree the Treasury Management Strategy, Annual Investment Policy, Prudential Indicators, Minimum Revenue Provision Policy Statement and investment criteria. (**Section 6 and Appendices F1 to F4**)

Council Tax 2015-16, incl. Statutory Calculations (Section 7 of the Main Report)

- 2.14 To agree the calculations required for the determination of the 2015-16 council tax requirement and the level of council tax as detailed in **Section 7** and summarised below.
- 1) The 2015-16 council tax requirement of £70,648,601. (**Paragraph 7.4**)
 - 2) The relevant amount of Islington Band D council tax of £981.22, a 1.99% increase compared to 2014-15, and to determine that this is not 'excessive'. (**Paragraphs 7.5 and 7.6**)
 - 3) The basic amount of Islington Band D council tax for dwellings to which no special item relates (i.e. outside of the Lloyd Square Garden area) of £981.01 and total Band D council tax (including the GLA precept) of £1,276.01. (**Paragraphs 7.8 and 7.12**)
 - 4) The amount of 2015-16 council tax (excluding the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.10**)
 - 5) The total amount of 2015-16 council tax (including the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.12**)

Matters to consider in setting the Budget (Section 8 of the Main Report)

- 2.15 To note the Section 151 Officer's and the Monitoring Officer's comments in their determination of the revenue and capital budgets for 2015-16 and the basis for the level

of council tax, including the Section 151 Officer's report in relation to his responsibilities under section 25 (2) of the Local Government Act 2003.

2.16 To note the Resident Impact Assessment (RIA) on the 2015-16 budget. (**Appendix G**)

2.17 To agree the Pay Policy Statement for 2015-16 at **Appendix H**.

3. INTRODUCTION

3.1 This report sets out those matters upon which the Executive is being asked to make recommendations to Council.

3.2 It should be noted that some decisions are within the remit of the Executive whilst others are subject to approval by full Council. Decisions in relation to individual service areas (including the setting of rent) are matters which are Executive functions and in respect of which decisions may only be made by the Executive. Decisions on these areas of the budget were made at the meeting of the Executive on 15th January 2015. These are now incorporated in the overall Council budget to be agreed on 26th February 2015.

3.3 By contrast, decisions on the overall level of the budget, the calculation of estimates for the purposes of the council tax, the approval of the HRA and the approval of the capital programme are all recommendations by the Executive for onward transmission to and approval by full Council, as are the Treasury Management Strategy and prudential indicators. It is important that, in considering these recommendations, Members have fully read all reports before them and have taken account of the outcome of any consultation exercises as well as the financial and legal implications of such decisions.

4. PROCESS

4.1 The report on the budget proposals for 2015-16, considered at the meeting of the Executive on 15th January 2015, was presented to a meeting of the Policy and Performance Scrutiny Committee on 22nd January 2015 when Non-Executive Members were given another opportunity to scrutinise the proposals and to make suggestions in respect of them. The Executive will now consider the representations made in the report from the Policy and Performance Scrutiny Committee.

4.2 The final GLA precept will be announced on 23rd February 2015. It is not anticipated that there will be any change to the GLA precept assumed within the substantive report 'Budget Proposals 2015-16'. If there is a change in the final GLA precept to that assumed, then Executive (after the 12th February 2015) will need to recommend a revised overall level of council tax for Council to agree on 26th February 2015.

4.3 In light of the fact that all the matters being considered by the Executive have already been subject to scrutiny by the Policy and Performance Scrutiny Committee in accordance with the Budget and Policy Framework Procedure Rules, call in does not apply to the decisions which may be made on the reports referred to herein.

Final Report Clearance

Signed by



Executive Member for Finance and Performance

Date

Received by

Head of Democratic Services

Date

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