



ISLINGTON

# COUNCIL

## 27 February 2020

### SECOND DESPATCH

**Please find enclosed the following items:**

Item 10a Proposed Amendment to Budget Proposals 2020-21

1 - 10

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**Report of: Councillor Caroline Russell**

<b>Meeting of</b>	<b>Date</b>	<b>Ward(s)</b>
Council	27 February 2020	All

Delete as appropriate	Exempt	Non-exempt
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## **AMENDMENT TO BUDGET PROPOSALS 2020/21 AND MEDIUM-TERM STRATEGY**

### **1. INTRODUCTION**

- 1.1. This report amends the 'Budget Proposals 2020/21 and Medium-Term Financial Strategy' report on the main agenda with proposed changes to the 2020/21 General Fund budget and Medium Term Financial Strategy (MTFS).

### **2. RECOMMENDATIONS**

- 2.1. To agree the 'Budget Proposals 2020/21 and Medium-Term Financial Strategy' report subject to the following:

2.2. **Proposal 1:**

- i. To agree to increase all parking permit bands for residents by £107.25 per annum so that it is never more expensive to park a bike than a car.

2.3. **Proposal 2:**

- ii. Subject to the approval of Proposal 1 above, to agree to undertake and fund a consultation in 2020/21 to remove the 8.5% contribution by residents eligible for full council tax support and if agreed, to implement from 2021/22 to avoid growing arrears.

- 2.4. **Proposal 3:**  
iii. To agree to create a gas credit contingency fund so that all residents have gas credit at the time of their annual gas safety check to avoid disconnection.
- 2.5. **Proposal 4:**  
iv. Subject to the approval of Proposal 1 above, to agree to commission relevant expertise to facilitate a 'Citizen's Assembly' to allow stakeholder involvement and scrutiny of Islington Council's Climate Emergency Strategy and Action Plan.
- 2.6. **Proposal 5:**  
v. Subject to the approval of Proposal 1 above, to agree to reduce the cost of parking a bike in a bike hangar to bring the price more in line with neighbouring boroughs.
- 2.7. **Proposal 6:**  
vi. Subject to the approval of Proposal 3 above, to agree to conduct a further analysis / feasibility study of the Highbury Quadrant recycling chute project with a view of rolling it out to other estates to help the Council meet recycling targets.
- 2.8. **Proposal 7:**  
vii. Subject to the approval of Proposal 1 above, to agree to fund a staff member to sustain the Minimum Energy Efficiency Standards (MEES) work by Trading Standards to improve housing conditions in the private rented sector and address fuel poverty.
- 2.9. **Proposal 8:**  
viii. Subject to the approval of Proposal 1 above, to agree to make one of Islington's main roads less traffic dominated and safer for people walking and cycling to complement the Council's work on low traffic neighbourhoods.
- 2.10. To delegate authority to the Corporate Director of Resources, in consultation with the Executive Member for Finance, Performance and Community Safety, to make any changes to the General Fund cash limits and prudential indicators contained within the report 'Budget Proposals 2020/21 and Medium-Term Strategy', as necessitated by any of the agreed changes arising from this report.

### **3. REVISED GENERAL FUND BUDGET PROPOSALS 2020/21 GENERAL FUND REVENUE SAVINGS PROPOSALS**

- 3.1. **Proposal 1: Increase all parking permit bands for residents by £107.25 per annum.**
- 3.2. The introduction of this policy is to help reduce car use and ownership in the borough and ensure the cost of parking a bicycle in Islington is never higher than the cost of

parking a car. The annual cost for space to park a single bike in a bike hangar for a resident is £107.25 per annum with an additional charge for a key deposit, although it is proposed in Proposal 5 of this budget amendment to reduce this cost to £52.

- 3.3. The policy includes electric vehicles (EVs) which like petrol and diesel vehicles contribute to road danger and congestion. EVs also create health damaging PM2.5 particle pollution from tyre wear.
- 3.4. Electric motorbikes will pay £52 which is the same as the proposed cost of a secure cycle parking space in Proposal 5.
- 3.5. As a result of this proposal, the lowest residential permit band (Band A) will increase from a nil charge to £107.25 per annum and similarly all other bands are increased by £107.25.
- 3.6. The Council budget proposal does not include this increase in all parking bands. Based on current trends for residential permit sales, this would provide surplus income to the Council of £2.861m until such a time when motorist behaviour changes in line with the new policy and car ownership reduces. Any additional income from this new policy will be used for transport related council activities as governed by the Road Traffic Regulation Act 1984.

**3.7. Proposal 2: Remove 8.5% council tax contribution by residents eligible for full council tax support**

- 3.8. The Council's budget proposal maintains an 8.5% contribution by eligible residents. Arrears are increasing year on year for these residents. If, following consultation, this proposal is agreed, it will allow residents who are eligible for full council tax support currently paying 8.5% towards their council tax bill, to contribute nothing in 2021/22 and in subsequent years. In 2020/21 a consultation on this change will take place to ensure it is implemented in 2021/22.
- 3.9. The scheme will reduce the growing debt burden on Islington's poorest residents and improve their financial health.
- 3.10. To extend the current scheme to cover all eligible residents, rather than just those of pensionable age, would cost a further £1.4m and will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above. If agreed, the proposal would be effective from the beginning of the 2021/22 financial year.

**3.11. Proposal 3: To agree to create a gas credit contingency fund so that all residents have sufficient gas credit at the time of their annual gas safety check to avoid unnecessary gas disconnection.**

- 3.12. The Council is legally required to carry out an annual gas safety check for all tenants living in Islington owned properties.
- 3.13. Currently approximately 180 properties (out of 19,516) are disconnected at the time of the annual gas safety check, due to the tenants having insufficient credit on their meter to allow the safety check to be carried out.
- 3.14. This costs the Council approximately £1,000 annually in administrative costs, £10,000 for the gas engineer for the aborted visits and a further £10,000 for the gas engineer

to be called back for reconnection.

- 3.15. If the Council was to provide an emergency £10 gas credit that could be applied whilst the gas engineer is on site carrying out the safety check, then there would be no requirement for the Council to pay for a gas engineer for reconnections thus saving approximately £8,000 and protecting tenants with precarious incomes from the inconvenience of gas disconnection.
- 3.16. Before implementing this proposal, the Council will need to check the feasibility with the various gas providers to avoid engineers having to carry cash and /or credit cards to top up residents' gas.
- 3.17. Proposal 4: To agree to commission relevant expertise to facilitate a 'Citizen's Assembly' to allow stakeholder involvement and scrutiny of Islington Council's Climate Emergency Strategy and Action Plan.**
- 3.18. Islington Council declared a climate emergency in June 2019. Council officers are working on a plan to get Islington to net zero carbon by 2030.
- 3.19. The climate emergency motion committed to "ensure local people are able to contribute to the formulation and scrutiny of the strategic actions needed to address the environment and climate emergency".
- 3.20. This proposal provides funds for the council to commission relevant expertise to facilitate consistent public participation, stakeholder engagement, communications and outreach activities in the development, scrutiny and implementation of Islington Council's Climate Emergency Strategy and Action plan.
- 3.21. Activities may include a Citizens Assembly - reflecting best practice and learning from neighbours such as Camden, and community and local business mobilisation through engagement and seed funding.
- 3.22. This proposal would cost the Council £273,000.
- 3.23. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.
- 3.24. Proposal 5: To agree to reduce the cost of parking a bike in a bike hangar to bring the price more in line with neighbouring boroughs.**
- 3.25. The Council budget proposals include installation of 100 bike hangars with space for 6 bikes in each. These are being charged at £107.25 per bike per annum, which is significantly higher than the charges in other boroughs.
- 3.26. There are 171 bike hangars already installed with another 59 due to be installed by the end of March 2020. In 2020/21 a further 100 will be installed, giving a total of 330 hangars in 2020/21.
- 3.27. To make access to secure cycle storage more affordable the cost of parking a bike in a bike hangar will be reduced to £52 per annum or a pound a week. This will reduce income to the Council by £88,000 per annum (based on occupancy rate of 80%).

- 3.28. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.
- 3.29. Proposal 6: To agree to conduct a further analysis / feasibility study of the Highbury Quadrant recycling chute project with a view of rolling it out to other estates to help the Council meet recycling targets.**
- 3.30. This proposal is estimated to cost £8,000 and is to be funded by the saving from Proposal 3 above.
- 3.31. Proposal 7: To agree to fund a staff member to sustain the Minimum Energy Efficiency Standards (MEES) work by Trading Standards to improve housing conditions in the private rented sector and address fuel poverty.**
- 3.32. The Government brought in Minimum Energy Efficiency Standards (MEES) for the private rental sector in April 2018 to improve the quality of private rented homes.
- 3.33. Enforcing these standards requires investigative work to establish landlord details and the Energy Performance Certificate (EPC) ratings of rented homes.
- 3.34. Trading Standards are proposing to undertake proactive rather than reactive enforcement of Minimum Energy Efficiency Standards (MEES).
- 3.35. To sustain this project beyond 2020/21 additional staff resources are required and are estimated to cost in the region of £57,000.
- 3.36. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.
- 3.37. Proposal 8: To agree to make one of Islington's main roads less traffic dominated and safer for people walking and cycling to complement the Council's work on low traffic neighbourhoods (Ongoing funding of £1.1m (£1.043m from 2021/22) with extra one off funding of £1.4m in 2020/21 ONLY).**
- 3.38. This proposal is to make Islington's streets healthier and less hostile and traffic dominated and will complement the Council's work on low traffic neighbourhoods.
- 3.39. The proposal will civilise a borough main road, making it easier to cross and a more pleasant place to walk, cycle and wait for the bus. It will provide a boost to the local high street by encouraging people to dwell.
- 3.40. The Council is working to deliver low traffic neighbourhoods as a public health intervention to reduce through traffic and clean up the air. This proposal will complement that work.
- 3.41. Communities will be consulted to identify places where it is hard to cross the road.

There is funding for new zebra crossings and light controlled crossings along with entry treatments at side roads and parklets, benches, trees and bike parking.

- 3.42. The ongoing funding of £1.1m (£1.043m from 2021/22 due to Proposal 7) will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.
- 3.43. The one off extra funding of £1.4m will also be generated following the implementation of Proposal 1 above during 2020/21, as Proposal 2 will not be implemented until 2021/22.

## **4. MATTERS TO CONSIDER IN SETTING THE BUDGET**

### **COMMENTS OF THE SECTION 151 OFFICER**

- 4.1. The Council when determining the Budget and thereby the level of Council Tax must take into account the report of its Section 151 Officer. The report must comment on the robustness of the estimates included in the budget and parallel consideration on the adequacy of the Council's proposed reserves. This section of the report includes consideration of these specific areas and enables the authority to discharge its duty to take account of the statutory report under section 25(2). **These comments are provided in addition to those in the substantive report 'Budget Proposals 2020/21 and Medium-Term Financial Strategy' and relate to the proposals within the Opposition Budget.**
- 4.2. It is the opinion of the Section 151 Officer that the estimates for 2020/21 have been prepared on a robust basis, and further that where there are uncertainties, for instance on the levels of service demand, that these can be covered by the corporate contingency. The funding of proposals in this budget report are reliant on Proposals 1 and 3 being agreed that would allow for the release of funding to fund Proposals 2, and 4 to 8 on a balanced budget basis.
- 4.3. The Section 151 Officer is required to report to the authority, when it is making the statutory calculations required to determine its council tax, on the estimates included in the budget and the adequacy of the reserves the budget provides for. The level of general balances is set in the context of the prevailing financial climate within local government, the level of risk facing the authority and also the sustained improvement in our financial standing in recent years.

### **COMMENTS OF THE MONITORING OFFICER**

- 4.4. In considering whether to adopt the amendments to the budget proposals contained within this report, members should have regard to the considerations set out in the main budget report.

#### **4.5. Proposals 1 and 5**

The Council has discretion as to the charges it fixes for annual parking permits (section 46 of the Road Traffic Regulations Act (1984 Act)). In exercising its power to charge, the Council must have regard to Section 122 of the 1984 Act. That section imposes a duty on the council to exercise its power to charge (so far as practicable having regard to the matters specified below to secure the expeditious, convenient and safe

movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway. The matters specified are

- (a) the desirability of securing and maintaining reasonable access to premises;
- (b) the effect on the amenities of any locality affected and (without prejudice to the generality of this paragraph) the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas through which the roads run;
- (bb) The strategy prepared under Section 80 of the Environment Act 1995 (national air quality strategy);
- (c) the importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles; and
- (d) any other matters appearing to the local authority to be relevant.

Further, in setting charges, the council must have regard to the Mayor of London's Transport Strategy (sections 142 and 144(1)(a) Greater London Authority Act 1999). That strategy emphasises the importance of reducing car use and encouraging cycling, walking and use of public transport.

- 4.6 Case law has established that although section 122(2) (d) permits a local authority to take into account any other matters appearing to it to be relevant, it does not allow the local authority, to fix charges for parking, with the motive of generating additional income for other authority purposes.
- 4.7 However, the Courts have also made clear that the creation of a surplus from increased parking charges will not of itself be unlawful provided that the primary motivation for/or intention of the increase is the achievement of objectives which are consistent with the duty in section 122. Accordingly, the proposal would, if adopted, be lawful.
- 4.8 Surplus income arising the proposed increase in the charges for parking permits may only be used for the purposes specified in section 55 of the 1984 Act. These purposes are off street car parking, public passenger transport services, highway or road improvement, maintenance of roads, environmental improvement and anything which facilitates the implementation of the London transport strategy. Accordingly, if existing public realm spending is permitted to be funded from the projected surplus, then that funding may be reallocated to meet the cost of Proposal 5 etc.

#### **4.9 Proposal 2**

It is proposed to consult on a revision to the council's Council Tax Reduction Scheme for 2020/21 that, if approved prior to 31 January 2020, would increase the maximum reduction in council tax from 91.5% to 100% from 2021/22.

Before a council tax reduction scheme may be revised, the council must:

- (a) consult any major precepting authority which has power to issue a precept to it,
- (b) publish a draft scheme in such manner as it thinks fit, and
- (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme

(Paragraphs 3(1) and 5(5) Schedule 1A Local Government Finance Act 1992)

The method of consultation is not specified in the act or guidance. It is therefore suggested the consultation be advertised in the local press and the Council's publications and website. In addition, that a percentage of Council Tax Reduction recipients and Council Tax payers not receiving a reduction be consulted by email.

#### **4.10 Proposal 3**

The Council may establish a gas credit contingency fund which will facilitate the discharge of its duty as landlord to carry out annual gas safety checks in its residential properties Regulation (36) (1) of the Gas safety (Installation & Use) Regulations 1998 and section 111 Local Government Act 1972. There will need to be a mechanism to recover the credit made available to tenants with no or insufficient credit on their meter at the time of the annual check.

#### **4.11 Proposal 4**

The proposal to commission expertise to enable local people to be involved in the scrutiny of the Council's actions to address the environmental and climate emergency plan is within the Council's general power of competence (Section 1 Localism Act 2011).

#### **4.12 Proposal 6**

The Council may carry out the proposed further feasibility study under its general housing management powers (Section 21 Housing Act 1985).

#### **4.13 Proposal 7**

The council may employ such staff as it considers necessary for the proper discharge of its functions (section 112 Local Government Act 1972). Accordingly, the council may employ an additional member of staff if it considers this is necessary to sustain the MEES work being undertaken by Trading Standards.

#### **4.14 Proposal 8**

The Council has various powers under the Highways Act 1980 and the Road Traffic Regulation Act 1984 to take measures to implement this proposal in respect of a main road for which it is the highways and road traffic authority.

### **5. RESIDENT IMPACT ASSESSMENT**

5.1. The Equality Act 2010 sets out the requirement for the Council to 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; and
- foster good relations between people who share a protected characteristic and those who do not.

5.2. A Resident Impact Assessment (RIA) of the 2020/21 budget is set out at Appendix G.

to the 'Budget Proposals 2020/21 and Medium-Term Financial Strategy' report. It is supplemented by detailed RIAs of major proposals at departmental level. These demonstrate that the Council has met its duties under the Equality Act 2010 and the Child Poverty Act 2010.

5.3. This amendment does not impact on the original Resident Impact Assessment report at Appendix G to the 'Budget Proposals 2020/21 and Medium-Term Financial Strategy' report so the original assessment is still considered valid.

**5.4. Proposal 1: Increase all parking permit bands for residents by £107.25 per annum**

5.5. The impact on residents based on the impact of the increased charges may lead to some motorists on low incomes to sell their vehicles as they would not be able to afford to pay for a residents permit. However, the cost of public transport is lower than running a vehicle and with the excellent transport links in Islington, it is not envisaged this will have an adverse effect on them and should result in a healthier lifestyle with reduced emissions in the longer term.

**5.6. Proposal 2: To agree to undertake and fund a consultation in 2020/21 to remove the 8.5% contribution by residents eligible for full council tax support and if agreed, to implement from 2021/22**

5.7. This proposal would help families on low incomes and those burdened with debt to pay nothing towards their council tax bill.

**5.8. Proposal 4: To agree to commission relevant expertise to facilitate a 'Citizen's Assembly' to allow stakeholder involvement and scrutiny of Islington Council's Climate Emergency Strategy and Action Plan.**

5.9. The creation of a Citizen's Assembly would help ensure that the views of all sections of the community are involved in the scrutiny of the Climate Emergency Strategy and Action Plan.

**5.10. Proposal 5: To agree to reduce the cost of parking a bike in a bike hangar to bring the price more in line with neighbouring boroughs.**

5.11. A reduction in cost of parking a bike in a bike hangar will help residents on low incomes to afford to be able to securely park their bike and increase the use of sustainable travel across the borough.

**5.12. Proposal 6: To agree to conduct a further analysis / feasibility study of the Highbury Quadrant recycling chute project with a view of rolling it out to other estates.**

5.13. Making it easier for residents on estates to recycle more will ensure fairness of access to recycling opportunities to all our residents.

**5.14. Proposal 7: To agree to fund a staff member to sustain the Minimum Energy Efficiency Standards (MEES) work by Trading Standards to improve housing conditions in the private rented sector.**

5.15. Sustaining the MEES work by Trading Standards will help ensure residents in the private rented sector live in accommodation that meets or exceeds minimum energy efficiency standards, helping to alleviate fuel poverty, reduce emissions and make energy more affordable through increased energy efficiency.

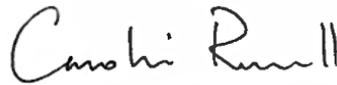
**5.16. Proposal 8: To agree to make one of Islington's main roads less traffic dominated and safer for people walking and cycling to complement the Council's work on low traffic neighbourhoods.**

5.17. Low traffic neighbourhoods help to increase air quality through the reduction of harmful vehicular emissions helping to protect our most vulnerable residents from the effects of pollution, particularly older residents, children, and low income families in housing along main roads.

**Background papers:** None

Final Report Clearance

Signed by



27 February 2020

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Councillor Caroline Russell

Date

**Responsible Officer:**

Steve Key (Assistant Director, Service Finance) (Acting Section 151 Officer)

**Report Author:**

Donna Davis, Deputy Head of Finance