



Report of : Executive Member for Finance, Performance and Community Safety		
Meeting of	Date	Ward(s)
Executive	9 th February 2017	All
Delete as appropriate	Exempt	Non-exempt

SUBJECT: BUDGET PROPOSALS 2017-18 – 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 2017-18 budget proposals and level of council tax. All other recommendations contained in the substantive report 'Budget Proposals 2017-18' are matters for the Executive to decide itself.

2. RECOMMENDATIONS

The General Fund Budget 2017-18 and MTFS (Section 3 of the Main Report)

- 2.1 To agree the 2017-18 net Council cash limits as set out in **Table 1 (Paragraph 3.1.3)** and the MTFS at **Appendix A**, which include the revenue savings in **Appendix B**.
- 2.2 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 3.2.17**)
- 2.3 To agree the fees and charges policy and the schedule of 2017-18 fees and charges, and to delegate to the Corporate Director of Children's Services, in consultation with the Executive Member for Children and Families, the authority to agree new childcare charges following consultation in the summer term. (**Paragraphs 3.2.18-21 and Appendices C1 and C2**)
- 2.4 To agree the Council's policy on the level of General Fund balances and the estimated use of the Council's earmarked reserves. To note that the redundancy reserve is estimated to be fully spent by the end of 2016-17, and to agree that from 2017-18 redundancy costs are funded within departmental budgets. (**Paragraphs 3.2.23 to**

3.2.26 and Table 3)

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

- 2.5 To agree the balanced HRA 2017-18 budget within the HRA MTFs at **Appendix D1** and the 2017-18 HRA savings at **Appendix D2**.
- 2.6 To note the 2017-18 HRA rents and other fees and charges. (**Tables 5 to 8** and **Appendix D3**)

The Capital Programme 2017-18 to 2019-20 (Section 5 of the Main Report)

- 2.7 To agree the 2017-18 capital programme and note the provisional programme for 2018-19 to 2019-20. (**Paragraph 5.1, Table 9** and **Appendix E1**)
- 2.8 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 5.2**)
- 2.9 To note the schedule of planned Traffic and Transportation schemes in 2017-18 and agree the related decision-making responsibilities for these schemes. (**Paragraph 5.3** and **Appendix E2**)

Treasury Management Strategy (Section 6 of the Main Report)

- 2.10 To agree the Annual Treasury Management and Investment Strategy 2017-18 (including external debt and treasury management Prudential Indicators), as considered by Audit Committee on 24th January 2017. (**Paragraph 6.1** and **Appendix F1**)
- 2.11 To agree the additional capital Prudential Indicators. (**Paragraph 6.1** and **Appendix F2**)
- 2.12 To agree the minimum revenue provision for 2017-18, adopting from 2017-18 the asset life (annuity) method for both 'supported' and 'unsupported' borrowing. (**Paragraphs 6.2 to 6.6**)

Council Tax 2017-18 and Statutory Calculations (Section 7 of the Main Report)

- 2.13 To agree the calculations required for the determination of the 2017-18 council tax requirement and the level of council tax as detailed in **Section 7** and summarised below.
 - 1) The 2017-18 council tax requirement of £82,712,864.62. (**Paragraph 7.5**)
 - 2) The relevant (average) amount of Islington Band D council tax of £1,071.28, a 4.99% increase (comprising a 3% social care precept and a 1.99% local precept) compared to 2016-17, and to determine that this is not 'excessive'. (**Paragraphs 7.6 and 7.7**)
 - 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 £1,071.06 and total Band D council tax (including the GLA precept) of £1,351.08. (**Paragraphs 7.8 and 7.12**)
 - 4) The amount of 2017-18 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 2017-18 council tax (including the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.12**)
- 2.14 To note that the budget proposals include the decision to exempt all care leavers living in Islington under the age of 25 from council tax, recommended in a separate report to the Executive on 9th February 2017. The discount is available from 1st April 2017 and will cost £28k a year. The cost will be shared with the GLA, via the Collection Fund. (**Paragraph 7.3**)

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 2017-18 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 2017-18 budget. (**Appendix G**)
- 2.17 To note the Pay Policy Statement for 2017-18, for onward agreement by Council. (**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 19th January 2017. These are now incorporated in the overall Council budget to be agreed on 23rd February 2017.
- 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 2017-18, considered at the meeting of the Executive on 19th January 2017, was presented to a meeting of the Policy and Performance Scrutiny Committee on 26th January 2017 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 20th February 2017. It is not anticipated that there will be any change to the GLA precept assumed within the substantive report 'Budget Proposals 2017-18'. If there is a change in the final GLA precept to that assumed, then Executive (after the 9th February 2017) will need to recommend a revised overall level of council tax for Council to agree on 23rd February 2017.
- 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



1 February 2017

Executive Member for Finance, Performance
and Community Safety

Date

Responsible Officer : Mike Curtis, Corporate Director of Finance and Resources
Report Authors : Tony Watts, Head of Financial Planning
Martin Houston, Strategic Financial Advisor