



Report of : Executive Member for Finance, Performance and Community Safety		
Meeting of	Date	Ward(s)
Executive	1 February 2018	
Delete as appropriate	Exempt	Non-exempt

SUBJECT: BUDGET PROPOSALS 2018-19 – 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 2018-19 budget proposals and level of council tax. All other recommendations contained in the substantive report 'Budget Proposals 2018-19' are matters for the Executive to decide itself.

2. RECOMMENDATIONS

General Fund Budget 2018-19 and MTFS (Section 3 of the Main Report)

- 2.1 To agree the 2018-19 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 at **Appendix B**.
- 2.2 To agree growth of £0.8m on supporting over-5s childcare, after-school childcare and holiday childcare, plus tackling holiday hunger. (**Paragraph 3.1.5-3.1.7**)
- 2.3 To note the fees and charges policy and agree the 2018-19 fees and charges. (**Paragraphs 3.2.4-3.2.5 and Appendices C1-C3**)
- 2.4 To agree the Council's policy on the level of General Fund balances and note the estimated level of earmarked reserves and general balance available for use in 2018-19. (**Paragraphs 3.2.6-3.2.8 and Table 2**)

HRA Budget 2018-19 and MTFS (Section 4 of the Main Report)

- 2.5 To agree the balanced HRA 2018-19 budget within the HRA MTFS at **Appendix D1**.
- 2.6 To note the 2018-19 HRA rents and other fees and charges. (**Tables 4-7 and Appendix D2**)

Capital Programme 2018-21 (Section 5 of the Main Report)

- 2.7 To agree the 2018-19 capital programme and note the provisional programme for 2019-21. (**Paragraph 5.1, Table 8 and Appendix E1**)
- 2.8 To agree that the Corporate Director 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 2018-19 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 2018-19 (including external debt and treasury management Prudential Indicators), as considered by Audit Committee on 23rd January 2018. (**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 (MRP) policy. (**Paragraphs 6.2 to 6.7**)

Council Tax and Retained Business Rates 2018-19 (Section 7 of the Main Report)

- 2.13 To agree the calculations required for the determination of the 2018-19 council tax requirement and the level of council tax as detailed in **Section 7** and summarised below.
 - 1) The 2018-19 council tax requirement of £88,763,542.91. (**Paragraph 7.9**)
 - 2) The relevant basic amount of Islington Band D council tax of £1,135.44, a 5.99% increase (comprising a 3.00% adult social care precept and a 2.99% core council tax increase) compared to 2017-18, and to determine that this is not 'excessive'. (**Paragraphs 7.10 and 7.11**)
 - 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 Committee area) of £1,135.22 and total Band D council tax (including the GLA precept) of £1,429.44. (**Paragraphs 7.12 and 7.16**)
 - 4) The amount of 2018-19 council tax (excluding the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.14**)
 - 5) The total amount of 2018-19 council tax (including the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.16**)
- 2.14 To agree a new class of council tax charge payer known as foster carer and implement a new Foster Carer Relief scheme from 1st April 2018 to reduce the full council tax liability to nil of every Islington household for the period where the household includes an approved foster carer (including foster carers living in Islington who are registered with other local authorities or approved agencies). (**Paragraphs 7.4-7.6**)
- 2.15 To agree that Shared Lives carers living in Islington be included within the new Foster Carer Relief Scheme. (**Paragraph 7.7**)
- 2.16 To amend the existing council tax relief scheme for care leavers to cover the full council tax liability from 1st April 2018. (**Paragraph 7.8**)
- 2.17 To agree to the following in relation to the Council's proposed participation in the London Business Rates Pilot Pool: (**Paragraphs 7.17 to 7.22**)
- 2.18 To approve and accept the designation by the Secretary of State as an authority within the London Business Rates Pilot Pool pursuant to 34(7)(1) of Schedule 7B Local Government Finance Act 1988.

- 2.19 To participate in the London Business Rates Pilot Pool with effect from 1st April 2018 to 31st March 2019.
- 2.20 Delegate the authority's administrative functions as a billing authority pursuant to the Non-Domestic Rating (Rates Retention) Regulations 2013 to the City of London Corporation ("COLC") acting as the Lead Authority.
- 2.21 To authorise the Lead Authority to sub-contract certain ancillary administrative functions regarding the financial transactions (payment of tariffs and top-ups) within the Pool to the GLA as it considers expedient.
- 2.22 To delegate authority to the Corporate Director Resources, in consultation with the Executive Member for Finance, Performance and Community Safety, to agree the operational details of the pooling arrangements with the participating authorities.
- 2.23 To authorise the Corporate Director Resources, in consultation with the Acting Director of Law and Governance, to make any amendments to the Memorandum of Understanding, attached at **Appendix G** to the report, as may be required by the Secretary of State, and to enter into the final Memorandum of Understanding on behalf of the authority.
- 2.24 To authorise the Leader of the Council to represent the authority in relation to consultations regarding the London Business Rates Pilot Pool as may be undertaken by the Lead Authority pursuant to the Memorandum of Understanding.
- 2.25 To delegate to the Corporate Director Resources, in consultation with the Executive Member for Finance, Performance and Community Safety, the authority to consider such consultative reports as the Lead Authority may circulate and to respond on behalf of the authority with regard to any recommendations and in particular, proposals for projects to be approved for funding from the Strategic Investment Pot.
- 2.26 To delegate to the Lead Authority the functions of assessment, due consultation and approval of projects eligible for funding from the Pool's Strategic Investment Pot following consultation with the participating authorities (provided that at least two thirds of such participating London Boroughs are (including the City of London Corporation) in favour of the relevant recommendation as well as the Mayor of London, and that no entire sub-region is in disagreement with the decision) on such terms and conditions as shall ensure value for money and compliance with the law.
- 2.27 To delegate to the Corporate Director Resources the authority to finalise the Council's estimated retained business rates in 2018-19 based on the final Pool model that will determine the amounts to be distributed by the pool in 2018-19, and to transfer any additional estimated retained business rates in 2018-19 to a new, earmarked 'NNDR Smoothing Reserve' until it is more certain for budgeting purposes.

Matters to Consider in Setting the Budget (Section 8 of the Main Report)

- 2.28 To note the Section 151 Officer's and the Monitoring Officer's comments in their determination of the revenue and capital budgets for 2018-19 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.
- 2.29 To note the Resident Impact Assessment (RIA) on the 2018-19 budget. (**Appendix H**)
- 2.30 To note the Pay Policy Statement for 2018-19, for onward agreement by Council. (**Appendix I**)

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 4th January 2018. These are now incorporated in the overall Council budget to be agreed on 22nd February 2018.
- 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 2018-19, considered at the meeting of the Executive on 4th January 2018, was presented to a meeting of the Policy and Performance Scrutiny Committee on 18th January 2018 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 22nd February 2018. It is not anticipated that there will be any change to the GLA precept assumed within the substantive report 'Budget Proposals 2018-19'. If there is a change in the final GLA precept to that assumed, then Executive (after the 1st February 2018) will need to recommend a revised overall level of council tax for Council to agree on 22nd February 2018.
- 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



23 Jan 2018

Executive Member for Finance, Performance
and Community Safety

Date

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