



Report of: **Chair of the Policy and Performance Scrutiny Committee**

Meeting of:	Date	Ward(s)
Executive	1 February 2018	All

Delete as appropriate		Non-exempt
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SUBJECT: BUDGET PROPOSALS 2018/19 - COMMENTS OF THE POLICY AND PERFORMANCE SCRUTINY COMMITTEE

1. Synopsis

- 1.1 The Committee considered the budget proposals. The Executive Member for Finance and Performance and Community Safety, Councillor Andy Hull, was present to answer questions.

2. Recommendations

- 2.1 To note the comments of the Policy and Performance Scrutiny Committee outlined in point 3 below and the committee's support the budget proposals.
- 2.2 To investigate the position with regard to the rent-raising powers of registered providers, and any flexibility in terms of the implementation fo new rents in Islington, in the light of the current rent restrictions on Local Authorities

3. Comments

- 3.1
- The Committee noted that the Government had made significant funding reductions to Local Government funding since 2010, exacerbated by unavoidable and inflationary cost pressures. Islington Council has had to find savings of up to £194 million, up to, and including 2017-18
 - It was noted that there is also an expected further 10% cash reduction in Islington's core settlement funding over the next 2 years, the last 2 years of the Government's 4 year funding settlement, and that this is in combination with further inflationary, demographic and structural funding pressures, especially in relation to Children's Services
 - As a result of these pressures, it is estimated that £49m of ongoing savings need to be found over the next 2 years, comprising £32m in 2018/19 and £17m in

2019/20. The 2019/20 savings requirement will increase accordingly, for any of the 2018/19 savings that are one-off, rather than ongoing in nature

- The Committee also noted that over the period 2010-2020, Islington will have faced a like-for-like reduction in core unringenced Government funding of revenue support grant, business rates and top-up grant of approximately 70%
- Reference was made to the 'pooling' of business rates between London Boroughs and the GLA and the Corporation of London and that it was hoped that this would produce additional income in future years, and no borough would be a 'net' loser as a result of the proposal
- The Committee welcomed the investment in the building of new Council houses and that an additional £1 million will be invested in Tufnell Park Primary school
- The Committee noted that for a third year an additional £0.5m had been budgeted for early intervention/targeted youth work
- The Committee expressed regret at the number of compulsory redundancies, although relatively small, that would be necessary as a result of the funding reduction and hoped that these could be kept to a minimum
- The Committee welcomed that the Budget proposals had yet again sought to protect front line services. However, there were difficult choices to be made in the next 2/4 years, given the continuation of Government funding reductions and an outcome based budgeting process is being considered for future years
- A number of detailed questions were asked in relation to individual issues on the budget proposals which were responded to by Councillor Hull
- In response to a question it was stated that iCO is progressing satisfactorily and the iCO Board were confident of future income for the Council
- Members expressed concern at the level of stress and reduced morale on staff as a result of constant increases in workload and reductions in staff
- In response to a question Councillor Hull stated that the presentation on the Council's strategy for handling GDPR would be circulated to Members
- A Member referred to the current restrictions placed by Central Government on rents and whether the Council, as a registered provider, could charge target rents on new build properties

3. Implications

2.2 Financial implications:

There are no additional implications arising from the above comments.

2.3 Legal Implications:

These are contained in the main Budget report.

2.4 Environmental Implications:

These are contained in the main Budget report.

4.4 Equality Impact Assessment:

These are contained in the main Budget report.

Appendices: None

Background papers: None

Final report clearance:

Signed by:



29 January 2018

Chair Policy and Performance Scrutiny Committee

Date

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