



Report of : Councillor Caroline Russell

Meeting of	Date	Ward(s)
Council	22 February 2018	All

Delete as appropriate	Exempt	Non-exempt
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AMENDMENT TO BUDGET PROPOSALS 2018-19

1. INTRODUCTION

- 1.1. This report amends the 'Budget Proposals 2018-19' report on the main agenda with proposed changes to the 2018-19 General Fund budget and medium term financial strategy (MTFS).

2. RECOMMENDATIONS

- 2.1. To agree the 'Budget Proposals 2018-19' report subject to the following:
- 2.2. Proposal 1:
- i. To agree to an installation of 20 bike hangars per ward and at an annual rental of £50 per hangar bike space.
 - ii. To agree to an increase in parking pay and display fees by 0.5%
- 2.3. Proposal 2:
- iii. To agree to a reduction in the number of political officer support posts by one, giving a saving of £43k per annum to fund the appointment of a community engagement officer.

- 2.4. Proposal 3:
- iv. To agree to increase skip hire and building licenses fees by an additional 6.2% taking the total increase to 10% for the year.
 - v. To agree to commission a study on how the council can manage procurement and ongoing contracts more robustly with a spend to save scheme appointing staff to manage procurement centrally.
- 2.5. 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 2018-19', as necessitated by any of the agreed changes arising from this report.

3. REVISED GENERAL FUND BUDGET PROPOSALS 2018-19 GENERAL FUND REVENUE SAVINGS PROPOSALS

3.1. Proposal 1: Installation of 20 bike hangars in each of the 16 wards

- 3.2. The Council budget proposal does not include installation of additional bike hangars. This proposal involves installation of 20 bike hangars in each ward which would mean 320 hangars across the borough housing 1,920 bikes. The initial capital cost of the scheme will be funded through borrowing.
- 3.3. This mass roll out of secure bike storage will support the council's objectives to boost active travel to help cut car use and reduce pollution and will help residents travel in an affordable and healthy way to work or college, meeting fairness objectives. It will also meet the aspirations of the Mayor of London's draft transport strategy to reduce car use and get 80% of journeys in London made by walking, cycling and public transport by 2041.
- 3.4. To further meet the fairness and public health objectives set out above it is proposed parking pay and display fees are raised by 0.5% to discourage car use and reduce air pollution. With this additional parking revenue and £50 annual rental per hangar bike space the scheme would be financed.

3.5. Proposal 2: Reduce one political officer support post and create a community engagement officer post

- 3.6. The Council budget proposal does not include any reduction in the number of political officer support posts. This proposal reduces the number by one post which would yield a saving in the region of £43k.
- 3.7. This saving would then fund the appointment of a community engagement officer to work with residents to reduce residual waste and encourage recycling through a network of resident volunteers, Tenant residents' associations (TRAs) and Tenant management organisations (TMOs).
- 3.8. There are huge potential savings to be made from better management of our residual waste and recycling. This appointment would be a small step towards building understanding amongst residents of the value to the council and the whole community of efficient waste management so they back any future reorganisation of waste management the council may propose.

- 3.9. **Proposal 3: Increase skip hire and building licenses fees by an additional 6.2%**
- 3.10. The Council budget proposal is to increase skip hire and building licenses fees by inflation of 3.8%. This proposal is to increase this by a further 6.2% which would generate extra income of £44k.
- 3.11. This extra income should be used to fund a study on how the council can manage procurement and ongoing contracts more robustly with a spend to save scheme appointing staff to manage procurement centrally. The study should include any departmental reorganisation required to gain savings from tighter contract management and should also look at benefits to service delivery for residents and any risks of centralising the process and taking contract management away from frontline delivery.

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 2018-19' and relate to the proposals within the Opposition Budget.**
- 4.2. It is the opinion of the Section 151 Officer that the estimates for 2018-19 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.
- 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. The Council has discretion as to the charges it fixes for on street parking places (section 46 of the Road Traffic Regulations Act (1984 Act) In accordance with section 55 of the 1984 Act the income the Council receives from on-street parking is placed into the "Parking Places Reserve Account", which can only be used by it for highway improvements and other traffic related matters.
- 4.6. 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 in subsection (2)) 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.

- 4.7. 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.
- 4.8. 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.
- 4.9. Accordingly it would be a legitimate exercise of the Council's charging powers to raise Pay and Display charges for the purpose of employing additional resources to deal with the problem of idling cars. The reason being, the objective of such additional enforcement will be to reduce air pollution and to assist in improving the expeditious and safe movement of vehicular traffic in the borough
- 4.10. Accordingly, the proposal would, if adopted, be lawful.

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 2018-19 budget is set out at Appendix H. to the 'Budget Proposals 2018-19' 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 H to the 'Budget Proposals 2018-19' report so the original assessment is still considered valid.
- 5.4. **Proposal 1: Installation of 20 bike hangars in each of the 16 wards**
- 5.5. It is proposed to install bike hangars to help tackle air pollution and promote public health for the benefit of all residents. Whilst no negative impacts are envisioned in order to ensure any potential negative impacts are identified and mitigated the services will carry out detailed impact assessments whilst the proposal measures are still developed.

- 5.6. An increase in the pay and display costs are unlikely to adversely impact residents due to our resident roamer scheme, which assists residents with parking permits as they can park on any resident designated bay within Islington between 11am and 3pm. Disabled drivers, who hold blue badges, may park in resident bays and on yellow lines with waiting restrictions.
- 5.7. However, there may be a potential impact on visitors and carers from outside of the borough. The impact on residents visitors and or carers are minimised through the use of e-visitor vouchers, but the system will need to be reviewed to ensure it remains accessible.
- 5.8. **Proposal 2: Reduce one political officer support post and create a community engagement officer post**
- 5.9. The appointment of a community engagement officer would help residents to reduce residual waste and encourage recycling through a network of resident volunteers, TRAs and TMOs.
- 5.10. To ensure any potential negative impacts are identified and mitigated against by the reduction of this post; the service will carry out a detailed impact assessment whilst the proposals are being developed.
- 5.11. **Proposal 3: Increase skip hire and building licenses fees by an additional 6.2%**
- 5.12. The main budget report includes a proposal to increase these fees by 3.8% and the RIA in Appendix H details the impact of this. This impacts mentioned in the RIA are likely to be on a greater scale as a result of the additional increase.

Background papers: None
Appendices: None

Final Report Clearance

Signed by

14 February 2018

 Councillor Caroline Russell

 Date

Responsible Officer : Mike Curtis, Corporate Director of Finance and Resources

Report Author : Mumba Mumba, Strategic Revenue Manager