



Report of : Councillor Caroline Russell

Meeting of	Date	Ward(s)
Council	28 February 2019	All

Delete as appropriate	Exempt	Non-exempt
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AMENDMENT TO BUDGET PROPOSALS 2019-20+

1. INTRODUCTION

- 1.1. This report amends the 'Budget Proposals 2019-20+' report on the main agenda with proposed changes to the 2019-20 General Fund budget and medium term financial strategy (MTFS).

2. RECOMMENDATIONS

- 2.1. To agree the 'Budget Proposals 2019-20+' report subject to the following:
- 2.2. Proposal 1:
- i. To agree to undertake and fund a consultation in 2019/20 to remove the 8.5% contribution by residents eligible for full council tax support and if agreed, to implement from 2020/21.
- 2.3. Proposal 2:
- ii. To agree to increase all parking permit bands for residents by £104 per annum.

- 2.4. Proposal 3:
- iii. To agree to install 100 pavement build outs per annum for electric vehicle (EV) chargers.
- 2.5. Proposal 4:
- iv. To agree to commission an emergency plan in 2019/20 to scope the work required to bring forward all council carbon reduction targets from 2050 to 2030. To agree to support the implementation of the findings of this plan from 2020/21 onwards.
- 2.6. Proposal 5:
- v. To agree to allocate an on-going £0.5m to the Adults Social Care Services Budget plus a one-off £1.4m in 2019/20.
- 2.7. 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 2019-20+', as necessitated by any of the agreed changes arising from this report.

3. REVISED GENERAL FUND BUDGET PROPOSALS 2019-20

GENERAL FUND REVENUE SAVINGS PROPOSALS

3.1. Proposal 1: Remove 8.5% council tax contribution by residents eligible for full council tax support

3.2. 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 2020/21 and in subsequent years. In 2019/20 a consultation on this change will take place to ensure it is implemented in 2020/21.

3.3. The scheme will reduce the growing debt burden on Islington's poorest residents and improve their financial health.

3.4. The annual cost of this proposal, once implemented, is £1.4m and will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 2 below.

3.5. Proposal 2: Increase all parking permit bands for residents by £104 per annum

3.6. The Council budget proposal does not include an increase in all parking bands for residents by £104 per annum. 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 £104 per annum with an additional charge for a key deposit.

3.7. 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.

- 3.8. As a result of this proposal, the lowest residential permit band (band A) will increase from a nil charge to £104 per annum and similarly all other bands are increased by £104.
- 3.9. Based on current trends for residential permit sales, this would provide surplus income to the council of £2.7m 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.
- 3.10. **Proposal 3: Install 100 pavement build outs per annum for electric vehicle (EV) chargers**
- 3.11. The Council budget proposal is to install 100 electric vehicle (EV) chargers per annum. However, it is proposed that all EV chargers, other than the lamp column chargers, are provided in the carriageway on pavement build outs. This is to protect pedestrian use of the footway and avoid the commercialisation of the pedestrian public realm for the purpose of selling fuel to EV owners. The EV charger pavement build outs will also provide informal crossing points where people can stand between parked cars, to see and be seen by oncoming traffic before crossing the road.
- 3.12. Based on the current proposals to introduce 100 EV chargers per annum placed on build outs there would be an additional cost to the council of £0.5m which would be funded from the traffic and parking budgets in Environment and Regeneration.
- 3.13. **Proposal 4: Commission an emergency plan to scope the work required to bring forward all council carbon reduction targets from 2050 to 2030.**
- 3.14. The Council budget proposal does not include the cost to commission this study. It is proposed to draw up a 12-year emergency climate change plan that revises the council's carbon reduction targets across all departments to be compliant with 1.5 degrees warming as per the Paris Climate Agreement and compatible with a 2030 rather than 2050 timescale as per the recent IPCC report. This proposal will scope out the actions required so that the council can request resources and powers, as necessary, from Government. This proposal would cost the Council a one-off £0.3m in 2019/20 and this budget will subsequently be used from 2020/21 to support the implementation of the findings of this report. The actual cost of implementation will involve significant (government) funding
- 3.15. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 2 above.
- 3.16. **Proposal 5: Allocate £0.5m to Adults Social Care Services (plus an additional £1.4m in 2019/20 only)**
- 3.17. Adult Social Services continues to be impacted by market and demographic pressures, and an increased need of acute care. The Service also faces pressures from: the transfer of care from hospitals and transferring care for service users with learning disabilities and/or autism and/or with behaviour that challenges from long stay acute hospitals to the community.

- 3.18. Whilst demographic funding and market inflation funds have been allocated to Adult Social Services, the service faces a challenging budget and the allocation of the £0.5m will mitigate against the risk of market failure in procurement and will offset any delay in delivering planned saving. As Proposal 1 needs consultation in 2019/20 prior to its implementation from 2020/21, the £1.4m cost of that proposal is available to be used as one-off funding for Adult Social Services in 2019/20.
- 3.19 This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 2 above.

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 2019-20+' and relate to the proposals within the Opposition Budget.**
- 4.2. It is the opinion of the Section 151 Officer that the estimates for 2019-20 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.

Proposals

- 4.5. Proposal 1

It is proposed to consult on a revision to the council's Council Tax Reduction Scheme for 2019/20 that, if approved prior to 31 January 2020, would increase the maximum reduction in council tax from 91.5% to 100% from 2020/21.

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.

4.5. Proposal 2

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.

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 2019-20 budget is set out at Appendix G. to the 'Budget Proposals 2019-20+' 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 2019-20+' report so the original assessment is still considered valid.
- 5.4. Proposal 1: To agree to undertake and fund a consultation in 2019/20 to remove the 8.5% contribution by residents eligible for full council tax support and if agreed, to implement from 2020/21**
- 5.5. This proposal would help families on low incomes and those burdened with debt to pay nothing towards their council tax bill.
- 5.6. Proposal 2: Increase all parking permit bands for residents by £104 per annum**
- 5.7. 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.

5.8. Proposal 3: Install 100 pavement build outs for electric vehicle (EV) chargers

5.9. It is anticipated that build outs will improve the benefits of walking in the borough by providing less street furniture on the pavement and will reduce the impact of vehicular traffic on children, older people and disabled residents walking on Islington roads.

5.10. Proposal 4: Commission an emergency plan to scope the work required to bring forward all council carbon reduction targets from 2050 to 2030.

5.11. Carry out the study will have no direct impact on the resident. However, work to improve the council's response to Climate Change in order to mitigate its effects will ultimately be positive for the borough as a whole.

5.12. Any recommendations that come out of the study will have to be assessed for any impact on the residents

5.13. Proposal 5: To agree to allocate an on-going £0.5m to Adults Social Care Services plus a one-off additional £1.4m in 2019.20

5.14. The increased budget should improve health and independence by ensuring increased support for residents to lead healthy and independent lives

5.15. Most of the proposed Adult Social Services changes sought to re-provide services in a different, more cost-effective way, with minimal impact on residents/service users, this additional funding will strengthen this.

Background papers: None

Final Report Clearance

Signed by

26 February 2019

Councillor Caroline Russell

Date

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