



Report of: Councillor Caroline Russell

Meeting of	Date	Ward(s)
Council	25 February 2021	All
Delete as appropriate	Exempt	Non-exempt

AMENDMENT TO BUDGET PROPOSALS 2021/22 AND MEDIUM-TERM FINANCIAL STRATEGY

1. INTRODUCTION

- 1.1. This report amends the 'Budget Proposals 2021/22 and Medium-Term Financial Strategy' report on the main agenda with proposed changes to the 2021/22 General Fund budget and Medium Term Financial Strategy (MTFS).

2. RECOMMENDATIONS

- 2.1. To agree the 'Budget Proposals 2021/22 and Medium-Term Financial Strategy' report subject to the following:
- 2.2. **Proposal 1:**
 - i. To agree to increase all parking permit bands for residents by £110 per annum so that it is never more expensive to park a bike than a car.

2.3. **Proposal 2:**

- ii. Subject to the approval of Proposal 1 above, to agree to undertake and fund a consultation in 2021/22 to remove the 8.5% contribution by residents eligible for full council tax support and if agreed, to implement from 2022/23 to protect the financial health of eligible residents by avoiding growing council tax arrears.

2.4 **Proposal 3:**

- iii. Subject to approval of Proposal 1 above, to create two posts to support take up of the government's retrofit Green Homes Grant scheme and to create a fund for ten apprenticeships along with support for individual tradespeople to gain qualifications and small businesses to gain retrofit accreditation.

2.5 **Proposal 4:**

- iv. Subject to the approval of Proposal 1 above, to commission a report into the potential for electric vehicle (EV) residential parking charges to be based on battery capacity to differentiate between small EVs and larger heavier performance electric vehicles in future budgets. The proposed bands are 0-35KWh, 35-70KWh and over 70KWh.

2.6 **Proposal 5:**

- v. Subject to the approval of Proposal 1 above, to create two posts to support the bedding in of Low Traffic Neighbourhoods and assist with community and local business adaptation to the road changes and shifting journeys to walking and cycling.

2.7 **Proposal 6:**

- vi. Subject to the approval of Proposal 1 above, to agree to reduce the cost of parking a bike in a bike hangar to support the roll out of low traffic neighbourhoods and bring the price more in line with neighbouring boroughs.

2.8 **Proposal 7:**

- vii. Subject to the approval of Proposal 1 above, to agree to invest in the installation of 400 extra bike hangars across the Borough to support the roll out of low traffic neighbourhoods.

2.9 **Proposal 8:**

- viii. Subject to the approval of Proposal 1 above, to agree to reduce the cost of Community Planter administration fees and rental.

- 2.10 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 2021/22 and Medium-Term Strategy', as necessitated by any of the agreed changes arising from this report.

3. REVISED GENERAL FUND BUDGET PROPOSALS 2021/22 GENERAL FUND REVENUE SAVINGS PROPOSALS

3.1. Proposal 1: Increase all parking permit bands for residents by £110 per annum.

- 3.2. The introduction of this policy is to support the councils' work to reduce air pollution and carbon emissions from transport by helping reduce car use and ownership in the borough and ensuring 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 £110 per annum with an additional charge for a key deposit, although it is proposed in Proposal 5 of this budget amendment to reduce this cost to £55 so the cost to a household of parking two bikes would be less than the cost of parking a car.
- 3.3. 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.
- 3.4. Electric motorbikes are not mentioned specifically in the fees and charges schedule. They are extremely carbon and energy efficient vehicles so the £110 uplift on all parking fees will not apply.
- 3.5. As a result of this proposal, the lowest residential permit band (EV) will increase from a £25 charge to £135 per annum and similarly all other bands are increased by £110.
- 3.6. The Council budget proposal does not include this increase in all parking bands. Based on current trends for residential permit sales, this would provide surplus income to the Council of £3.184m 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.
- #### **3.7. Proposal 2: To agree to undertake and fund a consultation in 2021/22 to remove the 8.5% contribution by residents eligible for full council tax support and if agreed, to implement from 2022/23**
- 3.8. The Council's budget proposal maintains an 8.5% council tax contribution by people eligible for full council tax support, currently 26,522 households. 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 2022/23 and in subsequent years. In 2021/22 a consultation on this change will take place to ensure it is implemented in 2022/23.

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

3.10. To extend the current scheme to cover all eligible residents, rather than just those of pensionable age, would cost a further £2.5m and will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above. If agreed, the proposal would be effective from the beginning of the 2022/23 financial year.

3.11. Proposal 3: To invest in a retrofit support scheme creating a pool of accredited and well trained local contractors and tradespeople to carry out skilled retrofit work to Islington homes.

3.12. Islington Council declared a climate emergency in June 2019. Council officers are working on a plan to get Islington to net zero carbon by 2030. This proposal will create new skilled jobs in the borough, grow the inclusive economy and support achievement of Islington Council's Climate Emergency Strategy and Action Plan

3.13. The proposal creates two 3-year fixed term posts as Green Contractor Consortium Officers, who will be responsible for developing and operating a scheme to enable more local contractors to provide energy retrofit to Islington homes. These posts will be graded as PO4 and will cost the council £116,628 per annum.

3.14. To enable participation in the government's Green Homes Grant scheme or subsequent retrofit schemes, businesses must be accredited, and their tradespeople qualified. This proposal will support up to 20 businesses to become accredited.

3.15. Achieving PAS2030 accreditation requires a company to have a certified quality management system in place and all its tradespeople to have NVQ qualifications for the measures they're installing, which are significant hurdles for a small business, as accreditations cost on average £12,000. One off funding of £240,000 and additional ongoing bursary funding of £80,000 per annum will be provided to support accreditations, NVQ course fees and equipment purchase for local businesses to take up retrofit, in accordance with the Green Homes Grant requirements.

3.16. To further benefit the local economy, this proposal will fully fund ten apprenticeships for local businesses at the London Living Wage. These apprentices will be trained to install retrofit measures and will be a strong resource in order to increase levels of

retrofit in the borough. This will cost the Council £235,000 per annum.

3.17. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.

3.18. Proposal 4: To commission a study into the potential for varying charges for residential parking permits for Electric Vehicles (EVs)

3.19. This proposal will complement the Council's public health work introducing low traffic neighbourhoods and reducing health impacts of air pollution through transport policy.

3.20. EVs do not emit Nitrogen Dioxide like fossil fuelled cars but still produce health damaging PM2.5 particle pollution from tyre and road wear. Larger, heavier EVs create more PM2.5 particle pollution than smaller vehicles. To support the council's net zero policies, council parking charges should discourage purchase of larger EVs.

3.21. The council anticipates an increasing percentage of EVs parking on street as residents change cars in preparation for the ULEZ in October 2021. Parking charging policy should be updated to incentivise purchase of smaller EVs.

3.22. The one-off funding of £15,000 will be allocated to commission a study into the potential to introduce differential pricing for residential permits for on-street EV parking from next year.

3.23. The study will look at using battery capacity or weight of vehicle to create three bands of EVs to encourage the purchase of smaller lighter vehicles rather than larger, heavier, high performance electric cars. The proposed battery capacity bands are 0-35 kWh, 35-70 kWh and over 70 kWh. The lowest band would capture a Nissan Leaf and the upper band a Tesla allowing the council to charge parking fees for larger EVs to reflect the carbon emissions used in the construction and operation of the vehicle, the road danger relative to weight and size and the higher PM2.5 pollution due to the weight of car and its battery.

3.24. The study would liaise with the Department for Transport to establish whether any new EV banding systems for charging purposes (e.g. parking or road user charging) are already being explored.

3.25. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.

3.26. Proposal 5: Create two posts to support the bedding in of Low Traffic Neighbourhoods and assist with community and local business adaptation to the road changes and shifting more journeys to walking and cycling.

3.27. This proposal will support the council's transport policy and targets to achieve net zero by 2030. It will also support ambitions for clean air and meeting Vision Zero targets to reduce the numbers of people killed and seriously injured on Islington's roads.

3.28. To support the bedding in of Low Traffic Neighbourhoods through engagement with residents, local businesses and health and community partners, two 3-year fixed term Low Traffic Support Officer posts will be created at grade PO4, which will cost the council £116,628 per annum.

3.29. Street Environment Services (SES) currently use e-bikes in order to conduct their day-to-day management tasks, but use vehicles if equipment is needed on site.

3.30. This proposal would provide four e-cargo bikes for SES to expand the current good practice of e-bike use to allow tools and equipment to be carried to parks and other sites by Islington branded cargo bike. Four further bikes would be made available for local businesses and community organisations following the good practice of the "Zen" schemes in Archway and Bunhill.

3.31. This would be a one-off cost of £64,000 (£8,000 per unit) and ongoing funding would be allocated as a budget of £50,000 per annum for the operations and maintenance of the e-cargo bikes, storage of the bikes in vacant estate garages across the borough along with a variety of projects led by the LTN support officer posts. These projects would include growing projects in community planters (see proposal 8), community cycle maintenance projects and inclusive community cycling programmes, learning from the work of Cycle Sisters led by Muslim women in Waltham Forest and Wheels for Wellbeing working with disabled people in south London.

3.32. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.

3.33. Proposal 6: To agree to reduce the cost of parking a bike in a bike hangar to support the roll out of low traffic neighbourhoods (LTNs) and bring the price more in line with neighbouring boroughs.

3.34. The Council budget proposals include installation of 179 bike hangars with space for six bikes in each. These are being charged at £110 per bike per annum, which is significantly higher than the annual charges in other boroughs which range from £36 in Camden to £72 in Westminster.

- 3.35. There are 221 bike hangars already installed with another 179 due to be installed by the end of March 2022. In 2021/22 a further 179 will be installed, giving a total of 400 hangars in 2021/22.
- 3.36. A barrier to cycling is lack of a safe place to lock up a bike at night. To support the council's policies enabling a shift from driving to walking and cycling, access to secure cycle storage will be made more affordable, so the cost of parking a bike in a bike hangar will be reduced to £55 per annum or about a pound a week. In conjunction with proposal 1 this will ensure it is never more expensive for a household to park two bikes than to park a car and will bring the Islington price more in line with neighbouring boroughs. This will reduce income to the Council by £105,600 per annum (based on occupancy rate of 80% bikes).
- 3.37. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.
- 3.38. Proposal 7: To agree to invest in the installation of an additional 400 bike hangars across the Borough.**
- 3.39. There is a list of over 5000 people waiting for bike hangar parking in Islington.
- 3.40. To support the Council to meet its net zero 2030 ambition and to underpin the Low Traffic Neighbourhood roll out, this proposal will provide a further 400 bike hangars with space for 2,400 more bikes to be parked.
- 3.41. This proposal will cost the Council £1,283,000 and will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 above.
- 3.42. Proposal 8: To agree to reduce the cost of Community Planter administration fees and rental.**
- 3.43. Proposal 8 aims to enable residents to work together to green their streets by using the council's new on-street Community Planters scheme. This will increase access to growing space, support community building and mental health and well-being while adding to biodiversity in the borough.
- 3.44. The council's budget proposed an application fee of £105.90 and an annual license extension of £65 along with planter and soil rental costs of up to £200 per annum.
- 3.45. This proposal will provide 80 planters over three years, five per ward to get the programme going with reduced fees for administration and planter and soil rental.

- 3.46. This proposal subsidises the 80 planters to £55 per annum for the administration fee and £55 per annum for planter and soil rental to make the scheme more affordable and to support the Low Traffic Neighbourhood roll out.
- 3.47. This will lead to £20,872 in lost income per annum.
- 3.48. This proposal will be funded by reallocating general fund budgets currently supporting Public Realm following implementation of Proposal 1 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 2021/22 and Medium-Term Financial Strategy' and relate to the proposals within the Opposition Budget.**
- 4.2. It is the opinion of the Section 151 Officer that the estimates for 2021/22 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. The funding of proposals in this budget report are reliant on Proposal 1 being agreed that would allow for the release of funding to fund Proposals 2 to 8 on a balanced budget basis.
- 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 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. Proposals 1 and 6**
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;
- (b) 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 Proposals 4. 5 and 7.

4.9 Proposal 2

It is proposed to consult on a revision to the council's Council Tax Reduction Scheme for 2021/22 that, if approved prior to 31 January 2022, would increase the maximum reduction in council tax from 91.5% to 100% from 2022/23.

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.

4.10 Proposal 3

The council may employ such staff as it considers necessary to support the take up of the government's retrofit Green Homes Grant scheme (section 112 Local Government Act 1972).

The council may support financially local businesses to obtain the necessary accreditation to be registered as green homes grant installers (section 1 Localism Act 2011).

4.11 Proposal 4

Sections 45 and 46 of the Road Traffic Regulation Act 1984 (the Act) enables the Council to fix differential parking charges for different classes of vehicle, including by reference to their level and type of emissions. Accordingly, the Council may commission a study to investigate the feasibility of introducing charges for residential parking permits according to the battery capacity of electric vehicles (section 11 Local Government Act 1972).

4.12 Proposal 5

The council may employ such staff as it considers necessary to support the implementation of the local traffic neighbourhood schemes (section 112 Local Government Act 1972).

4.13 Proposal 7

Section 32 of the Road Traffic Regulation Act 1984 enables the council to make an order providing on street parking places for vehicles. This power extends to installing, in roads or elsewhere, stands or racks for, or devices for securing, bicycles. (section 63 of the 1984 Act).

4.14 Proposal 8

The Council may grant permission for the provision of community planters on the highway and may make charge not exceeding their reasonable costs (Part VIIA Highways Act 1980).

5. EQUALITIES 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. An Equalities Impact Assessment (EQIA) of the 2021/22 budget is set out at Appendix G. to the 'Budget Proposals 2021/22 and Medium-Term Financial Strategy' report. It is supplemented by detailed EQIAs 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 Equalities Impact Assessment report at Appendix G to the 'Budget Proposals 2021/22 and Medium-Term Financial Strategy' report so the original assessment is still considered valid.
- 5.4. Proposal 1: Increase all parking permit bands for residents by £110 per annum**
- 5.5. 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. In addition, any impact on residents with disabilities will be mitigated by Blue Badge holders being able to park free of charge in designated spaces.
- 5.6. Proposal 2: To agree to undertake and fund a consultation in 2021/22 to remove the 8.5% contribution by residents eligible for full council tax support and if agreed, to implement from 2022/23**
- 5.7. This proposal would help families on low incomes and those burdened with debt to pay nothing towards their council tax bill.
- 5.8. Proposal 3: To invest in a retrofit support scheme creating a pool of accredited and well trained local contractors and tradespeople to carry out skilled retrofit work to Islington homes.**
- 5.9. This proposal has no adverse equalities impacts.

5.10. Proposal 4: To commission a study into the potential for varying charges for residential parking permits for Electric Vehicles (EVs)

5.11. Undertaking this study would not, in itself, have any equality implications. Any changes proposed following the study would go through the Council's governance processes and have an EQIA completed at that stage.

5.12. Proposal 5: Create two posts to support the bedding in of Low Traffic Neighbourhoods and assist with community and local business adaptation to the road changes and shifting more journeys to walking and cycling.

5.13. This proposal has no adverse equalities impacts but will help all residents in those areas.

5.14. Proposal 6: To agree to reduce the cost of parking a bike in a bike hangar to support the roll out of low traffic neighbourhoods (LTNs) and bring the price more in line with neighbouring boroughs.

5.15. A reduction in cost of parking a bike in a bike hangar will help residents on low incomes to afford to be able to securely park their bike and increase the use of sustainable travel across the borough.

5.16. Proposal 7: To agree to invest in the installation of an additional 400 bike hangars across the Borough.

5.17. This proposal has no adverse equalities impacts but will help all residents in those areas.

5.18. Proposal 8: To agree to reduce the cost of Community Planter administration fees and rental to match the proposed bike hangar costs in proposal 6.

5.19. This proposal has no adverse equalities impacts.

Background papers: None

Final Report Clearance

Signed by

18 February 2021

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Councillor Caroline Russell

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Date

Responsible Officer:

Steve Key (Director, Service Finance)

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