

Resources Directorate Town Hall, Upper Street, London N1 2UD

Report of: Chair of Policy and Performance Scrutiny Committee

Meeting of:	Date	Ward(s)	
Executive	10 February 2022	All	
Delete as appropriate		Non-exempt	

SUBJECT: Budget Proposals & Medium Term Financial Strategy 2022/23 – Comments of the Policy & Performance Scrutiny Committee

1. Synopsis

1.1 The Committee considered the Budget proposals at its meeting on 20 January 2022. The Executive Member for Finance and Performance, Councillor Satnam Gill, and the Corporate Director of Resources, David Hodgkinson, presented the item and responded to members' questions.

2. Recommendations

2.1 That the comments of the Policy and Performance Committee be forwarded to the Executive for consideration:

The Policy and Performance Scrutiny Committee:

- Welcomed the proposed Budget for 2022/23. Despite a shortfall in government funding for COVID pandemic costs, and 10 years of reduced funding due to Government austerity measures, the committe congratulated and thanked the Executive Member Finance and Performance, all Councillors and officers for achieving a balanced budget and fair budget under difficult circumstances.
- Noted that the COVID crisis has had a massive impact on the Council's work and how it delivers services to residents
- Noted that the Council has had to make new savings of £3.530m in 2022/23, in addition to those previously agreed, with local government funding failing to keep up with rising costs and demand for local services

- In addition, COVID funding from the Government had led to a shortfall in the budget necessitating further budget reductions
- Noted the proposed Council Tax, and social care precept increases, plus the Mayor of London's proposed increase, and that this will likely result in a total increase of 4.27% for Islington Council Taxpayers, although only 1.99% of this was a rise in additional Council Tax
- The Committee noted the increases in fees and charges, and the HRA and capital programme proposals
- The Committee expressed concern at rising energy costs, plus high current and projected inflation rates, and that this would place financial pressures on both residents and the Council. In addition, pay increases for staff may impact on the budget, however it was felt that it in the circumstances it was a prudent budget, and contingencies and reserves were available if necessary in 2022/23, however if these pressures persisted this would impact on future budgets
- The Committee were of the view that the Fair Funding review when published may impact Islington and other London Boroughs adversely, and that coordinaton should take place with other similarly affected Local Authorities to pressure the Government in this regard
- Welcomed the extra investement in the budget and in particular -
 - An extra £676,000 into the Council Tax support scheme
 - Quadrupling the size of childcare bursary scheme to £160,000
 - Investing an extra £1m per year through Fairer Together
 - Investing an extra £13.3m in a host of net zero carbon projects
 - Committing an extra £500,000 for an improved youth offer
 - £2m programme to tackle all forms of violence and abuse against women and girls
 - Another 228 Council home starts by the end of the year
- Welcomed the proposal to share more community infrastrucre levy amongst wards
- Noted the increase in the NLWA levy linked to fluctuating tonnages and balances held by the waste authority and that this is expected to 'even out' over a period of 2/3 years

3. Implications

3.1 **Financial implications:**

These are contained in the main budget report

3.2 Legal Implications:

These are contained in the main report

3.3 Environmental Implications:

These are contained in the main report

4. Equality Impact Assessment:

This is contained in the main report

Appendices: none

Background papers: none

Signed by:

27 January 2022

Councillor Theresa Debono Chair Policy and Performance Scrutiny Committeee Date

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