



Report of : Executive Member for Finance and Performance		
Meeting of	Date	Ward(s)
Executive	4 th February 2016	All
Delete as appropriate	Exempt	Non-exempt

SUBJECT: BUDGET PROPOSALS 2016-17 – COVERING REPORT

1. SYNOPSIS

- 1.1 This report sets out those matters upon which the Executive is being asked to make recommendations to Council in respect of the 2016-17 budget proposals and level of council tax. All other recommendations contained in the substantive report 'Budget Proposals 2016-17' are matters for the Executive to decide itself.

2. RECOMMENDATIONS

The General Fund Budget 2016-17 and MTFs (Section 3 of the Main Report)

- 2.1 To agree the 2016-17 net Council cash limits as set out in **Table 1 (Paragraph 3.1.4)** and the MTFs at **Appendix A**, which include the revenue savings in **Appendix B** and revenue growth of £0.5m for investment in keeping the borough's young people safe.
- 2.2 To note the report of the Policy and Performance Scrutiny Committee on 21st January 2016 in reviewing the 'Budget Proposals 2016-17'.
- 2.3 To note the requirement to report on the number of maintained schools that have completed the Schools Value Financial Standard (SVFS) by 31st March to the Department for Education by 31st May each year. (**Paragraph 3.2.13**)
- 2.4 To agree the fees and charges policy and the schedule of 2016-17 fees and charges, and to note the delegated authority for the Corporate Director of Children's Services, in consultation with the Executive Member for Children and Families, to agree new childcare charges following consultation in the summer term. (**Paragraphs 3.2.14-17 and Appendices C1 and C2**)
- 2.5 To agree the Council's policy on the level of General Fund balances and the estimated use of the Council's earmarked reserves. (**Paragraphs 3.2.19-21 and Table 3**)

The HRA Budget and MTFs (Section 4 of the Main Report)

- 2.6 To agree the balanced HRA 2016-17 budget within the HRA MTFs at **Appendix D1** and the 2016-17 HRA savings at **Appendix D2**.

- 2.7 To note the 2016-17 HRA rents and other fees and charges, and agree the amended band C car cage charge of £17.77 in **Appendix D3** (for non-rent and service charge payers). (**Tables 5-8 and Appendix D3**)

The Capital Programme 2016-17 to 2018-19 (Section 5 of the Main Report)

- 2.8 To agree the 2016-17 capital programme and note the provisional programme for 2017-18 to 2018-19. (**Paragraph 5.1, Table 9 and Appendix E1**)
- 2.9 To agree that the Corporate Director of Finance and Resources applies capital resources to fund the capital programme in the most cost-effective way. (**Paragraph 5.2**)
- 2.10 To note the schedule of planned Traffic and Transportation schemes in 2016-17 and agree the related decision-making responsibilities for these schemes. (**Paragraph 5.3 and Appendix E2**)

Annual Treasury Management and Investment Strategy, Prudential Indicators and Minimum Revenue Provision Policy (Section 6 of the Main Report)

- 2.11 To agree the Annual Treasury Management and Investment Strategy 2016-17 (including external debt and treasury management Prudential Indicators), as considered by Audit Committee on 28th January 2016. (**Section 6 and Appendix F1**)
- 2.12 To agree the additional capital Prudential Indicators and Minimum Revenue Provision (MRP) Policy. (**Section 6 and Appendix F2**)

Council Tax 2016-17, including Statutory Calculations (Section 7 of the Main Report)

- 2.13 To agree the calculations required for the determination of the 2016-17 council tax requirement and the level of council tax as detailed in **Section 7** and summarised below.
- 1) The 2016-17 council tax requirement of £76,874,061.54. (**Paragraph 7.5**)
 - 2) The relevant (average) amount of Islington Band D council tax of £1,020.37, a 3.99% increase compared to 2015-16, and to determine that this is not 'excessive'. (**Paragraphs 7.6 and 7.7**)
 - 3) The basic amount of Islington Band D council tax for dwellings to which no special item relates (i.e. outside of the Lloyd Square Garden area) of £1,020.15 and total Band D council tax (including the GLA precept) of £1,296.15. (**Paragraphs 7.8 and 7.12**)
 - 4) The amount of 2016-17 council tax (excluding the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.10**)
 - 5) The total amount of 2016-17 council tax (including the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.12**)

Matters to Consider in Setting the Budget (Section 8 of the Main Report)

- 2.14 To note the Section 151 Officer's and the Monitoring Officer's comments in their determination of the revenue and capital budgets for 2016-17 and the basis for the level of council tax, including the Section 151 Officer's report in relation to his responsibilities under Section 25 (2) of the Local Government Act 2003.
- 2.15 To note the Resident Impact Assessment (RIA) on the 2016-17 budget. (**Appendix G**)
- 2.16 To note the Pay Policy Statement for 2016-17, for onward agreement by Council. (**Appendix H**)

3. INTRODUCTION

- 3.1 This report sets out those matters upon which the Executive is being asked to make recommendations to Council.

- 3.2 It should be noted that some decisions are within the remit of the Executive whilst others are subject to approval by full Council. Decisions in relation to individual service areas (including the setting of rent) are matters which are Executive functions and in respect of which decisions may only be made by the Executive. Decisions on these areas of the budget were made at the meeting of the Executive on 14th January 2016. These are now incorporated in the overall Council budget to be agreed on 25th February 2016.
- 3.3 By contrast, decisions on the overall level of the budget, the calculation of estimates for the purposes of the council tax, the approval of the HRA and the approval of the capital programme are all recommendations by the Executive for onward transmission to and approval by full Council, as are the Treasury Management Strategy and prudential indicators. It is important that, in considering these recommendations, Members have fully read all reports before them and have taken account of the outcome of any consultation exercises as well as the financial and legal implications of such decisions.
- 4. PROCESS**
- 4.1 The report on the budget proposals for 2016-17, considered at the meeting of the Executive on 14th January 2016, was presented to a meeting of the Policy and Performance Scrutiny Committee on 21st January 2016 when Non-Executive Members were given another opportunity to scrutinise the proposals and to make suggestions in respect of them. The Executive will now consider the representations made in the report from the Policy and Performance Scrutiny Committee.
- 4.2 The final GLA precept will be announced on 22nd February 2016. It is not anticipated that there will be any change to the GLA precept assumed within the substantive report 'Budget Proposals 2016-17'. If there is a change in the final GLA precept to that assumed, then Executive (after the 4th February 2016) will need to recommend a revised overall level of council tax for Council to agree on 25th February 2016.
- 4.3 In light of the fact that all the matters being considered by the Executive have already been subject to scrutiny by the Policy and Performance Scrutiny Committee in accordance with the Budget and Policy Framework Procedure Rules, call in does not apply to the decisions which may be made on the reports referred to herein.

Final Report Clearance

Signed by



4 February 2016

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Executive Member for Finance and Performance

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Date

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