

Croydon Council

For General Release

REPORT TO:	COUNCIL 29 February 2016
AGENDA ITEM NO:	7
SUBJECT:	BUSINESS REPORT OF THE LEADER INCORPORATING COUNCILLORS' WRITTEN QUESTIONS TO THE LEADER AND CABINET MEMBERS
LEAD OFFICER:	Gabriel MacGregor, Acting Director of Legal and Democratic Services
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT: The Business Report of the Leader and Cabinet is prepared in keeping with the Council Procedure Rules at Part 4A of the Constitution.	

1. RECOMMENDATIONS

The Council is asked to:

1. Note the business report of the Leader and Cabinet;
 - Approve the Cabinet recommendations set out in the Leader's Business Report at Appendix 1

2. EXECUTIVE SUMMARY

2.1 The Business Report of the Leader and Cabinet comprises a summary of matters of business relating to the Council tax and Budget Setting process, undertaken by the Leader and Cabinet at the Cabinet (Council Tax) meeting held on 22 February 2016. The report includes any recommendations made to Council by Cabinet.

2.2 The Constitution also permits written questions and supplementary oral questions to Cabinet Members during consideration of the Business Report

3. BACKGROUND

3.1 Part 4A of the Constitution allows the Leader and the Cabinet to present to Council a report summarising the business it has undertaken since the last ordinary Council meeting. Cabinet is also required to include any recommendations that it has made to Council within that report.

- 3.2 In addition to oral questions on the content of the report, Members are also permitted to submit written questions on any relevant matter during consideration of the report.
- 3.3 No more than 20 minutes shall be allocated to questions to the Leader of the Council (including up to 4 minutes for announcements) and no more than 10 minutes shall be allocated to questions to any other individual Cabinet Member (including up to 2 minutes each for announcements). There is a strict guillotine of 9.35m for the Council (Council Tax) meeting as a whole. At that time the business report and written replies shall be taken as read and moved en bloc with any recommendations not deferred for debate put immediately to the vote.
- 3.4 Oral questions on matters included in the business report are limited to two per Councillor on any item contained within the report. Cabinet Members and the Councillor that seconds the report are not permitted to ask any questions.
- 3.5 Written questions on any other relevant matter are limited to three per Councillor. A Councillor may ask two supplementary questions arising from the reply given to a question they have submitted but shall do so only if called by the Chair.
- 3.6 The order in which the report shall be laid out, and that questions will be taken, is as follows:
- i) The Leader of the Council; and
 - ii) Cabinet Members (order rotated for each meeting).
- 3.7 The order for this meeting and the meeting to be held on 18 April 2016 are as follows:

February (Council Tax) 2016

	Councillor	Cabinet Portfolio
	Tony Newman	Leader of the Council
3	Simon Hall	Cabinet Member for Finance and Treasury
1	Alison Butler	Deputy Leader (Statutory) and Cabinet Member for Homes and Regeneration
7	Toni Letts	Cabinet Member for Economic Development
9	Timothy Godfrey	Cabinet Member for Culture, Leisure and Sport
2	Stuart Collins	Deputy Leader and Cabinet Member for Clean Green Croydon
8	Mark Watson	Cabinet Member for Safety and Justice
4	Louisa Woodley	Cabinet Member for Communities and People
5	Kathy Bee	Cabinet Member for Transport & Environment
6	Alisa Flemming	Cabinet Member for Children, Families and Learning

18 April 2016

	Councillor	Cabinet Portfolio
	Tony Newman	Leader of the Council
6	Alisa Flemming	Cabinet Member for Children, Young People and Learning
9	Timothy Godfrey	Cabinet Member for Culture, Leisure and Sport
5	Kathy Bee	Cabinet Member for Transport and Environment
8	Mark Watson	Cabinet Member for Communities, Safety and Justice
7	Toni Letts	Cabinet Member for Economy & Jobs
2	Stuart Collins	Deputy Leader and Cabinet Member for Clean Green Croydon
3	Simon Hall	Cabinet Member for Finance and Treasury
4	Louisa Woodley	Cabinet Member for Families, Health & Social Care
1	Alison Butler	Deputy Leader (Statutory) and Cabinet Member for Homes, Regeneration & Planning

4. BUSINESS REPORT

4.1 The business report is attached at appendix 1.

5. WRITTEN QUESTIONS

5.1 Copies of all written questions and their draft replies, which may be subject to oral amendment, shall be circulated to all Councillors at the beginning of the meeting.

5.2 A Councillor may ask two supplementary questions arising from the reply given to a question they have submitted but shall do so only if called by the Chair.

CONTACT OFFICER: Solomon Agutu, Head of Democratic Services and Scrutiny, x62920.

BACKGROUND DOCUMENTS:

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**COUNCILLOR TONY NEWMAN
LEADER OF THE COUNCIL**

A full copy of the Cabinet agenda, reports and appendices are available in the Members Library and on the Council website at

<https://secure.croydon.gov.uk/akscroydon/users/public/admin/kab14.pl?operation=SUBMIT&meet=45&cmte=CAB&grpId=public&arc=1>

**Cabinet 22 February 2016
Items relating to the Council Tax and Budget Setting process**

Financial Strategy & Budget 2016-17

1. General Fund & HRA Budget 2016/17

Cabinet considered a report (**Attached as Council Appendix 2**) that sets out the context and challenges faced by the council in setting a balanced budget for 2016/17. The report also sets out the current savings plans and approach to transformation of the council and over the next 4 years.

The report details the revenue and capital budgets for the General Fund for 2016/17, including the total Council Tax increase of 1.89%, the budget for the Housing Revenue Account and the 1% decrease in Housing Rents for 2016/17.

Cabinet recommends Council to approve:

1.

- I. A 1.99% increase in the Council Tax for Croydon Services
- II. A 2% increase in the Council Tax for Adult Social Care.
- III. The calculation of budget requirement and council tax as set out in Appendix E

Alongside the GLA decrease this will result in a total increase of **1.89%** for Croydon.
- IV. The revenue budget assumptions as detailed in this report and the associated appendices :-
 - Appendix A the programme of revenue investment, efficiencies and cuts by department.
 - Appendix B The Council's detailed budget book

- V. The Capital Programme as set out in section 12, table 20 and 21 of this report.
- VI. The continuation of the Council's existing Council Tax Support Scheme in 2016/17 as detailed in section 10.5 of this report.
- VII. To recommend to the Council the adoption of the Pay Policy statement at Appendix L;

1.2 Council notes that Cabinet was requested to agree::

- I. A rent decrease for all Council tenants for 2016/17, in line with the Government's social rent policy which has legislated to reduce social rents by 1%.
- II. Garage rents will increase by 2% and parking space rents will increase to £7 per week for tenants and £10 per week for non tenants.
- III. The un pooled service charge for caretaking, grounds maintenance and bulk refuse collection will not change from 2015/16, as detailed in section 11.14.

1.3 Council note that Cabinet was asked to note:-

- I. That in respect of the Council's public sector equalities duties where the setting of the capital, revenue and HRA budget result in new policies or policy change the relevant service department will carry out an equality impact assessment to secure delivery of that duty including such consultation as may be required.
- II. The progress being made towards balancing the Council's financial position for 2015/16 as at Quarter 3 and the current projected outturn forecast of £0.602m as set out in the report at item 8.3 on this agenda.
- III. The response to the draft local government settlement which is attached at Appendix F.
- IV. That Cabinet note the pre-decision scrutiny of the proposed Budget 2016/17 at the Scrutiny and Overview Committee as set out in Appendix J
- V. The statement on reserves and balances and robustness of estimates from the statutory Section 151 Officer.

2. Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement & Annual Investment Strategy 2016/17

Cabinet considered a report (**Attached as Council Appendix 3**) that sets out the Council's Treasury Management objectives, which are to manage the Council's cash flows, borrowing and investments minimising the level of risk exposure; maximising investment yield returns; and ensuring that capital expenditure and financing plans are prudent, affordable and sustainable. The report details the activities that will be undertaken by the Council in 2016/17 and the capital borrowing needs of the Council for 2016/17:-

	<u>£m</u>	<u>Total</u> <u>£m</u>
1. In Year Borrowing Requirement (Gross)	203.800	<u>203.800</u>
2. Total Interest Payable on Debt		
- chargeable to Housing Revenue Account (HRA)	12.535	
- chargeable to General Fund (GF)	19.554	
		<u>32.089</u>

In addition the report details the investment activities and the estimated level of income earned.

Investment Income net of interest apportioned to Non-General Fund accounts e.g. HRA and other cash balances:-

<u>(0.971)</u>	<u>(0.971)</u>
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1. Cabinet recommends Council to approve:

1.1 The Treasury Management Strategy Statement 2016/17 as set out in paragraphs 3.1 to 3.3 of the Cabinet report including the recommendations that:

1.1.1 The Council takes up the balance of its 2015/16's borrowing requirement and future years' borrowing requirements, as set out in paragraph 3.3.

1.1.2 That for the reasons detailed in paragraph 3.7, opportunities for debt rescheduling are reviewed throughout the year by the Assistant Chief Executive (Corporate Resources and Section 151 Officer) and that, he be given delegated authority, in conjunction with the Council's independent treasury advisers, to undertake such rescheduling only if revenue savings or additional cost avoidance can be achieved at minimal risk in line with organisational considerations and with regard to the Housing Revenue Account (HRA) as set out in the Council's Finance Strategy 2015-2019.

1.1.3 That delegated authority be given to the Assistant Chief Executive (Corporate Resources and Section 151 Officer) to make any

necessary decisions to protect the Council's financial position in light of market changes or investment risk exposure.

1.2 The Annual Investment Strategy as set out in paragraph 3.5 and as detailed in **Appendix B** of this report.

1.3 That the Affordable Borrowing Limits (required by Section 3 of the Local Government Act 2003) as set out in paragraph 3.6 and as detailed in **Appendix C** be as follows:

2016/17	2017/18	2018/19
£1,132.6m	£1,216.0m	£1,267.1m

1.4 The Prudential Indicators as set out in paragraph 3.8 and in **Appendix D** of this report.

1.5 The Annual Minimum Revenue Provision Policy Statement (required by SI 2008/414) as set out in paragraph 3.9 and as detailed in **Appendix E** of this report.

1.6 The Council's authorised counterparty lending list as at 31st December 2015 as set out in **Appendix F** of this report and the rating criteria set for inclusion onto this list.