

**COUNCILLOR TONY NEWMAN
LEADER OF THE COUNCIL**

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**Cabinet 20 February 2017
Items relating to the Council Tax and Budget Setting process**

Budget 2017-20

1. General Fund & HRA Budget 2017/20

Cabinet will consider a report (**attached as Cabinet Report 6.1: General Fund & HRA Budget 2017/20**) that sets out the detailed proposals for the financial year 2017/18 and also proposals that would deliver a balanced budget for 2018/20.

The report details the revenue and capital budgets for the General Fund for 2017/18, including the total Council Tax increase of 4.3%, the budget for the Housing Revenue Account and the 1% decrease in Housing Rents for 2017/18.

Cabinet recommends Council to approve:

1.1

- I. A **1.99%** increase in the Council Tax for Croydon Services
- II. A **3%** increase in the Adult Social Care precept (a charge Central Government has assumed all Councils will levy in its spending power calculations).
- III. Note the GLA increase of 1.5% (the increase is solely associated with the Police budget).
With reference to the principles for 2017/18 determined by the Secretary of State under Section 52ZC (1) of the Local Government Finance Act 1992 (as amended) confirm that in accordance with s.52ZB (1) the Council Tax and GLA precept referred to above are **not excessive** in

terms of the most recently issued principles and as such to note that no referendum is required. This is detailed further in section 5.4 of the report (**Cabinet Report 6.1: General Fund & HRA Budget 2017/20**).

- IV. The calculation of budget requirement and council tax as set out in Appendix D and E of the report (**Cabinet Report 6.1: General Fund & HRA Budget 2017/20**). Including the GLA increase this will result in a total increase of 4.3% in the overall council tax bill for Croydon.
- V. The three year revenue budget assumptions as detailed in the report (**Cabinet Report 6.1: General Fund & HRA Budget 2017/20**) and the associated appendices:-
 - Appendix A The programme of revenue savings and growth by department for 2017/20.
 - Appendix B The Council's detailed budget book for 2017/18.
- VI. The Capital Programme as set out in section 12, table 22 and 23 of the report (**Cabinet Report 6.1: General Fund & HRA Budget 2017/20**).
- VII. The continuation of the Council's existing Council Tax Support Scheme in 2017/18 as detailed in section 10.4 of the report (**Cabinet Report 6.1: General Fund & HRA Budget 2017/20**).
- VIII. The adoption of the Pay Policy statement at Appendix H of the report (**Cabinet Report 6.1: General Fund & HRA Budget 2017/20**).

1.2 Council notes that Cabinet was requested to agree:

- I. A rent decrease for all Council tenants for 2017/18, in line with the Government's social rent policy which has legislated to reduce social rents by 1%.
- II. Garage and Parking space rents will increase by 2 % per week.
- III. The service charges for caretaking, grounds maintenance and bulk refuse collection will increase by 2% per week as detailed in section 11

2. **Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement & Annual Investment Strategy 2017/18**
2. Cabinet **recommends** Council to approve:
 - 2.1 The Treasury Management Strategy Statement 2017/2018 as set out in the report (**Cabinet Report 6.2: Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement & Annual Investment Strategy 2017/18**) including the recommendations that:
 - 2.1.1. The Council takes up the balance of its 2016/2017 borrowing requirement and future years' borrowing requirements, as set out in paragraph 3.6 of the report (**Cabinet Report 6.2: Treasury Management Strategy Statement**).
 - 2.1.2. That for the reasons detailed in paragraph 3.11 of the report (**Cabinet Report 6.2: Treasury Management Strategy Statement**), opportunities for debt rescheduling are reviewed throughout the year by the Executive Director of Resources and Section 151 Officer and that, he be given delegated authority, in consultation with the Cabinet Member for Finance and Treasury and 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 2016-2020.
 - 2.1.3 That delegated authority be given to the Executive Director of Resources and Section 151 Officer, in consultation with the Cabinet Member for Finance and Treasury, to make any necessary decisions to protect the Council's financial position in light of market changes or investment risk exposure.
 - 2.2 The Annual Investment Strategy as set out in paragraph 3.14 of the report (**Cabinet Report 6.2: Treasury Management Strategy Statement**).
 - 2.3 That the Authorised Borrowing Limits (required by Section 3 of the Local Government Act 2003) as set out in paragraph 3.7 of the report

(**Cabinet Report 6.2: Treasury Management Strategy Statement**) and as detailed in the associated Appendix C be as follows

2017/2018	2018/2019	2019/2020
£1,234.442m	£1,365.442m	£1,372.442m

The Prudential Indicators as set out in the associated Appendix C of the report (**Cabinet Report 6.2: Treasury Management Strategy Statement**).

- 2.4 The Annual Minimum Revenue Provision Policy Statement (required by SI 2008/414) as set out in Appendix D of the report (**Cabinet Report 6.2: Treasury Management Strategy Statement**).
- 2.5 The Council's authorised counterparty lending list as at 31st December 2016 as set out in Appendix E of the report (**Cabinet Report 6.2: Treasury Management Strategy Statement**) and the rating criteria set for inclusion onto this list