

Croydon Council

For General Release

REPORT TO:	COUNCIL 26 February 2013
AGENDA ITEM NO:	7
SUBJECT:	BUSINESS REPORT OF THE LEADER INCORPORATING COUNCILLORS' WRITTEN QUESTIONS TO THE LEADER AND CABINET MEMBERS
LEAD OFFICER:	Julie Belvir, Director of Democratic and Legal 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;
2. Approve the Cabinet recommendations set out in the Leader's Business Report at Appendix A

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 26 February. 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 April ordinary meeting of the Council is as follows:

February 2013 (Council Tax)

Councillor	Cabinet Portfolio
Mike Fisher	Leader of the Council
Margaret Mead	Cabinet Member for Adult Services and Health
Steve O'Connell	Cabinet Member for Finance and Performance Management
Phil Thomas	Cabinet Member for Highways and Environmental Services
Sara Bashford	Cabinet Member for Corporate and Voluntary Services
Vidhi Mohan	Cabinet Member for Communities & Economic Development
Simon Hoar	Cabinet Member for Community Safety and Public Protection
Dudley Mead	Deputy Leader (Capital Budget and Asset Management) with Cabinet Responsibility for Housing
Tim Pollard	Deputy Leader (Communications) with Cabinet responsibility for Children, Families and Learning
Jason Perry	Cabinet Member for Planning, Regeneration and Transport

April 2013

Councillor	Cabinet Portfolio
Mike Fisher	Leader of the Council
Vidhi Mohan	Cabinet Member for Communities & Economic Development
Simon Hoar	Cabinet Member for Community Safety and Public Protection
Sara Bashford	Cabinet Member for Corporate and Voluntary Services
Tim Pollard	Deputy Leader (Communications) with Cabinet responsibility for Children, Families and Learning
Dudley Mead	Deputy Leader (Capital Budget and Asset Management) with Cabinet Responsibility for Housing
Jason Perry	Cabinet Member for Planning, Regeneration and Transport
Phil Thomas	Cabinet Member for Highways and Environmental Services
Steve O'Connell	Cabinet Member for Finance and Performance Management
Margaret Mead	Cabinet Member for Adult Services and Health

4. BUSINESS REPORT

4.1 The business report is attached at appendix A.

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: Cabinet Member Rotation explanation and chart.

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**BUSINESS REPORT OF THE LEADER
26 FEBRUARY 2013****1. Item relating to the Adoption and Introduction of Croydon's
Community Infrastructure Levy Draft Charging Schedule
– Cabinet 11 February 2011**

Cabinet considered a report (**attached as Council appendix 1**) that sought approval for the adoption and introduction of Croydon's Community Infrastructure Levy Draft Charging Schedule from full Council.

The income to be derived upon the introduction of the CIL will benefit the development of the borough and the wellbeing of its residents. Specifically it will help delivery of the Corporate Plan's objectives and projects, for example by enabling investment in parks and green spaces, schools for expansion identified in the Educational Estates strategy, sustainable transport, new leisure facilities and district heating systems. Through such delivery, important parts of the Croydon Local Plan – Strategic Policies and the Infrastructure Delivery Plan will be implemented. Much of the infrastructure capable of support through CIL will assist provision of housing and employment growth.

The Cabinet at its 11 July 2011 meeting (Min A74/11) authorised public consultation on the Preliminary Draft Charging Schedule over September and October 2011. Following this consultation the Council considered the representations received and the Draft Charging Schedule was produced. The Draft Charging Schedule was approved for four weeks consultation by Cabinet at its meeting of 12 December 2011 (Min A118/11). Consultation commenced on the 16 January 2012 and concluded on the 13 February 2012. In April 2012 the Council agreed to submit the CIL Draft Charging Schedule to the Examiner and this occurred on 18 June 2012. The Examination of the CIL Charging Schedule was undertaken on 21 September 2012. The Examiner's report was received on 17 December 2012 and the Examiner recommends the CIL Charging Schedule for adoption by the Council. Therefore, this report seeks a recommendation to Council to approve the adoption and introduction of Croydon's CIL Charging Schedule.

With the introduction of the borough's CIL on 1 April 2013 the Council will fund infrastructure projects or types in accordance with the list of infrastructure projects or types to be funded by the Community Infrastructure Levy in accordance with Regulation 123, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012) (Appendix D), and will not engage discretionary relief for exceptional circumstances (Regulation 55, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)), but will apply an Instalment Policy (Appendix C).

Cabinet recommends that Council

1. Adopt Croydon's Community Infrastructure Levy Charging Schedule (Appendix A) in accordance with Section 213 of the Planning Act 2008 and Regulation 25 of the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012); and
2. Approve publication and effective date of 1 April 2013 for the coming into force of Croydon's Community Infrastructure Levy Charging Schedule (Appendix A).

Council notes that Cabinet RESOLVED:

1. to endorse the adoption of Croydon's Community Infrastructure Levy Charging Schedule (Appendix A of the report) in accordance with Section 213 of the Planning Act 2008 and Regulation 25 of the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)
2. to note the content and conclusions of the Examiner's Report into Croydon's Community Infrastructure Levy Charging Schedule (Appendix B of the report).
3. to endorse the introduction of a Community Infrastructure Levy instalment policy (Appendix C of the report).
4. to acknowledge Regulation 55, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012), discretionary relief for exceptional circumstances will not be granted.
5. to endorse the list of infrastructure projects or types to be funded by the Community Infrastructure Levy in accordance with Regulation 123, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012) (Appendix D of the report).
6. to endorse a publication and effective date of 1 April 2013 for the coming into force of Croydon's Community Infrastructure Levy Charging Schedule (Appendix A of the report).
7. to agree the withdrawal of Planning Guidance Note 1: Planning Obligations as supplementary planning guidance.

**Items relating to the Council Tax and Budget Setting process
– Cabinet 26 February 2013****2. FINANCIAL STRATEGY 2013/17
GENERAL FUND & HRA BUDGET FOR 2013/14**

The Cabinet will consider a report (**attached as Council Appendix 2**) detailing proposals for the financial year 2013/14 and the progress in achieving the objectives of the Council's Financial Strategy 2010/14. The report also sets out a new Financial Strategy for 2013/17. The report is to be read together with the Budget Book previously sent to Members.

The report details the revenue and capital budgets for the General Fund for 2013/14, the priorities of our financial investments based on a recommended 1.85% increase in the Croydon element of council tax and Housing Revenue Account (HRA) budget regarding the setting of rents, service charges and the Housing Improvement Programme for 2013/14 based on a recommendation 4.36% change to rent levels for 2013/14.

Cabinet recommends Council approve:

- 1.1 The Cabinet recommend to full Council that, having considered the statement of the Chief Finance Officer at para.19 of the Cabinet report and the Initial Equalities Impact Assessment at Appendix Q approve the Financial Strategy for 2013/17 and for the **financial year 2013/14 a 1.85% change to Council Tax for 2013/14** for Croydon and a 1.21% decrease to the Greater London Authority (GLA) precept, on behalf of the GLA, and therefore in support of the following:-
- i) All budget planning assumptions as detailed in the report;
 - ii) The programme of revenue investment as set out in Appendix A;
 - iii) The programme of efficiencies and cuts, as set out in Appendix B and C as previously approved by Cabinet on the 10th December 2012;
 - iv) The capital programme for 2013/14 and capital strategy for 2013/17 as set out in Appendices D & E and the release of the annual highways programme;
 - v) The Council's detailed budget book as set out in Appendix F;
 - vi) The overall revenue budgets and council tax levels as set out in Appendices G, H and I;
 - vii) The statement on reserves and balances and robustness of estimates from the statutory Section 151 Officer;

- viii) That with reference to the principles for 2013-2014 determined by the Secretary of State under s.s.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** and as such to note that no referendum is required;
 - ix) Rent increases for all Council tenants for 2013/14, in line with the National formula for social housing rents with the average rent increases from this national formula being **4.36%**;
 - x) That the full cost of services provided to those tenants who receive caretaking, grounds maintenance and bulk refuse collection services are recovered via tenants service charges, this being achieved with a **3.1%** increase for 2013/14;
 - xi) Charges to tenants for garage and parking space rents increase by **4.36%** for 2013/14;
 - xii) Heating charges for Council tenants to remain unchanged as per Appendix L;
 - xiii) To recommend to the Council the approval of the budget for the Housing Revenue and Capital Accounts for 2013/14 (Appendix K);
 - xiv) To recommend to the Council approval of the proposed housing investment programme of **£34.621m** (summarised at Appendix 3a with the detailed council housing repair and improvement element of the programme at Appendix M);
 - xv) To recommend to the Council approval of a capital allowance of **£10.000m** as detailed in Section 6 of this report.
 - xvi) To recommend to the Council the adoption of the Pay Policy statement at Appendix P;
- 1.2 Note 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.
- 1.3 That Cabinet note the progress being made towards balancing the Council's financial position for 2012/13 as at 31st December 2012 and the current projected outturn forecast of £1.314m before the allocation of corporate contingency of £2.340m, as set out in Table 19 of this report and therefore to note a balanced budget position for 2012/13.

- 1.4 To note that no recommendations were made to the Cabinet from the Scrutiny & Strategic Overview Committee meeting of 15th January 2013 in relation to the budget for 2013/14

3. TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT & ANNUAL INVESTMENT STRATEGY 2013/14

Cabinet will consider a report (**attached as Council Appendix 3**) setting 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 and maximising investment yield returns 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 2013/14 and the capital borrowing needs of the Council for 2013/14:-

	<u>£m</u>	<u>Total £m</u>
1. In Year Borrowing Requirement		
	<u>118.7</u>	
		<u>118.7</u>
2. Total Interest Payable on Debt		
- chargeable to Housing Revenue Account (HRA)	12.1	
- chargeable to General Fund (GF)	<u>13.7</u>	
		<u>25.8</u>
Investment Income net of interest apportioned to Non-General Fund accounts e.g. HRA and Schools' cash balances	<u>(2.0)</u>	<u>(2.0)</u>

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

Cabinet recommends Council approve:

- 1.1 The adoption of the updated Chartered Institute of Public Finance (CIPFA) Treasury Management in the Public Services Code of Practice 2011 Edition as noted in 2.2 of this report and the subsequent amendment to the Council's Financial Regulations.
- 1.2 The Treasury Management Strategy Statement 2013/14 as set out in paragraphs 3.1 to 3.3 of this report including:
- 1.2.1 The Authority takes up the balance of its 2012/13's borrowing

requirement and future years' borrowing requirements, as set out in paragraph 3.4.

1.2.2 The opportunities for debt rescheduling be reviewed throughout the year by the Executive Director Corporate Resources and Customer Services and that he be given delegated authority to undertake such rescheduling only if revenue savings or additional cost avoidance can be achieved at minimal risk in line with organisational considerations with regard to the HRA as set out in the Council's Financial Strategy.

1.2.3 The Treasury Management Strategy be continually monitored and in the event that interest rates rise or fall substantially, be reconsidered and a further report be submitted to Corporate Services Committee as appropriate and that delegated authority be given to the Executive Director Corporate Resources and Customer Services to make decisions to protect the Council's financial position in light of market changes or investment risk exposure. In addition, a mid-year monitoring report on treasury activities and periodic reports on investments will be made to Corporate Services Committee.

1.3 The Annual Investment Strategy as set out in paragraph 3.6 and as detailed in **Appendix B** of this report.

1.4 That the Affordable Borrowing Limits (required by Section 3 of the Local Government Act 2003) as set out in paragraph 3.7 and as detailed in **Appendix C** be as follows:

2013/14	2014/15	2015/16
£894.7m	£959.9m	£1,005.0m

1.5 The Prudential Indicators as set out in paragraph 3.9 and in **Appendix D** of this report.

1.6 The Annual Minimum Revenue Provision (required by SI 2008/414) as set out in paragraph 3.10 and as detailed in **Appendix E** of this report.

The Council's authorised counterparty lending list as at 31st December 2012 as set out in **Appendix F** of this report and the rating criteria set for inclusion onto this list.

Full copies of the reports with appendices are available in the Members Library and on the Council's website at www.croydon.gov.uk