

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Council</b>
<b>DATE OF DECISION</b>	<b>1 March 2023</b>
<b>REPORT TITLE:</b>	<b>The Council's Budget 2023/24</b>
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Katherine Kerswell, Chief Executive Jane West, Corporate Director of Resources (Section 151 Officer)</b>
<b>LEAD OFFICER:</b>	<b>Jane West, Corporate Director of Resources</b>
<b>LEAD MEMBER:</b>	<b>Councillor Jason Cummings Cabinet Member for Finance</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>
<b>WARDS AFFECTED:</b>	<b>All</b>

## 1 SUMMARY OF REPORT

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2023/24.
- 1.2 The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 ("the Act"), and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
- 1.3 The Council has to formally resolve that it calculates certain figures, which broadly are:
- its gross expenditure, including contingency and levies (but not precepts)
  - its gross income from fees & charges and other sources, specific grants, external finance from the Government, and any surplus/deficit on the collection fund
  - the difference between the two, being the amount which the Council needs for its own services to be paid from the collection fund, defined as the Council Tax requirement
  - the basic amount of Council Tax for the net position of all these figures, including precepts, and
  - the amount of Council Tax for each other category of dwelling.
- 1.4 The Council is also required to formally approve the management of the Council's treasury management functions, including the Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement; the proposed revenue budget for the General Fund; the Capital Strategy & Programme.

- 1.5 Members are asked to refer to the Cabinet reports including the appendices and any supplementary paper, as the recommendations before Council make specific reference to these reports.
- 1.6 Attached to this report are:
- Appendix A which is the decision notice of the Cabinet meeting, which will be published as an addendum once the decision has been taken.
  - Appendix B is the calculation of the council tax requirement and council tax.
  - Appendix C sets out the Council's net budget requirement and medium term forecast to 2025/26.
  - Appendix D the detailed programme of revenue savings, income, demand pressures and legacy budget corrections, by directorate, as recommended by Cabinet of 22 February 2023.
- 1.7 The Treasury Management Strategy Statement and the Capital Programme & Strategy with all related documents were reported to Cabinet separately.
- 1.8 In light of the above Cabinet recommends the Council to adopt the following resolutions as set out below. The effect of adopting these resolutions would be to set the Council Tax for a Band D property at £2,239.56

## **2 RECOMMENDATIONS**

For the reasons set out in the report [and its appendices], and as recommended by Cabinet of 22 February 2023, Council is recommended:

- 2.1 To agree an increase in the Croydon element of the 2023/24 council tax charge by 12.99% (Band D £203.95)
- 2.2 To agree a 2% increase (Band D £31.40) in the 2023/24 Adult Social Care precept levy.
- 2.3 To agree the calculation of the council tax requirement of £247.759m and council tax as set out in Appendix B and note that the inclusion of the Greater London Authority precept will result in a total increase of 13.93% (Band D £273.90) in the overall Croydon council tax bill.
- 2.4 To approve the setting of the Council's own total net expenditure budget for 2023/24 at £340.911m (Appendix C).
- 2.5 To agree the detailed programme of revenue savings, income, demand pressures and legacy budget corrections, by directorate, as recommended by Cabinet of 22 February 2023 (Appendix D).
- 2.6 To agree a £10m budget in 2023/24 to support the transformation programme.

- 2.7 To agree that the Corporate Director of Resources be authorised to collect and recover National Non-Domestic Rate and council tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992.
- 2.8 To agree the Council's 2023/24 to 2026/27 General Fund Capital Programme which includes planned expenditure of £305.67m (including capitalisation directions) across the four years as recommended by Cabinet on 22 February.
- 2.9 To agree the Council 2023/24 Housing Revenue Account Capital Programme with a total investment planned of £32.62m with borrowing of nil as recommended by Cabinet on 22 February.
- 2.10 To agree the Council's Capital Strategy, drafted with the support of PwC, as detailed within Appendix A of the Capital Programme and Capital Strategy 2022/23 to 2026/27 Report to Cabinet on 22 February 2023.
- 2.11 To agree The Treasury Management Strategy Statement 2023/24 as set out in the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24 Report to Cabinet on 22 February
- 2.12 The Prudential Indicators as set out in the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24 Report to Cabinet on 22 February.
- 2.13 The Annual Minimum Revenue Provision Policy Statement (required by the Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2008SI 2008/414) as set out in Appendix B of the Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24 Report to Cabinet on 22 February.

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 The Council is obliged to set a balanced budget and council tax charge in accordance with the Local Government Finance Act 1992.
- 3.2 Full Council are required to approve the Council's Capital Programme under the Council's Constitution and all expenditure of £1m requires Cabinet approval for capital spend under the Council's Scheme of Delegation.
- 3.3 Under the Constitution of the London Borough of Croydon the Full Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in CIPFA's Code of Practice for Treasury Management in the Public Services and the CIPFA Prudential Code for Capital Finance in Local Authorities (Prudential Code).

### **4 BACKGROUND AND DETAILS**

4.1 As set out in the reports to Cabinet of 22 February 2023 and the attached Appendices

## **5 APPENDICES**

Appendix A Cabinet Decision Notice (to follow)

Appendix B Calculation of the 2023/24 council tax requirement and council tax

Appendix C Net budget requirement and medium term forecast to 2025/26

Appendix D Revenue savings, income, demand pressures and legacy budget corrections, by directorate

Appendix E Scrutiny response to Cabinet on Budget proposals

Appendix F Revenue Budget and Council Tax Levels 2023/24 – Cabinet Report 22 February 2023

Appendix G Capital Programme and Capital Strategy 2022/23 to 2023/26 – Cabinet Report 22 February 2023

Appendix H Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24 – Cabinet Report 22 February 2023

Appendix I EqIA Revenue Budget and Council Tax Levels 2023-24