

Budget 2019/20 update

Scrutiny and Overview Committee 15.1.19

Agenda

- Update on Local Government Settlement
- MTFS position
- Corporate assumptions
- Update on final draft on growth and savings
- Capital
- Timeline

Local Government Settlement

- No material changes to previous assumptions
- SFA fell by 6.5% for London
- Core Spending Power increased by 2.3% (assuming max. Council Tax increase)
- Council tax – maximum increase remains at 3%
- No changes to ASC precept powers
- GLA can raise police precept by £24 per annum
- £180m released by central business rates account. £1.1m for LBC.
- £650m for social care. Allocation confirmed as £3.8m for LBC.
- Confirmation of 75% business rates pool for London
- Consultations issued on Fair Funding and business rates
- Public Health grant reduced by £0.579m for Croydon

MTFS - Reminder

	2019/20 £m's	2020/21 £m's	2021/22 £m's	Total £m's
Budget Gap	5.8	12.5	7.7	26.0

Corporate Assumptions – 2019/20

	£m's
Council Tax increase	(5.1)
Adult Social Care Precept	(1.7)
Council Tax Base Increase and collection improvements	(5.7)
Sub Total	(12.5)
Underlying Grant Loss as per 2015 Spending review – Year 4	7.8
2019/20 – additional funding for social care	(3.8)
2019/20 – additional funding - Flexible Homelessness support grant	(1.1)
Inflation estimates including Pay award	5.8
Capital Programme – cost of borrowing	2.0
Pension Contribution – 1% increase in future service contribution	1.4
Sub Total	12.1
Budget Pressure	(0.4)

Department Assumptions – 2019/20

	Options 2019/20		
	Savings	Growth	Net
	£m	£m	£m
Children, Families and Education	1.0	12.0	11.0
Health, Wellbeing and Adults	8.4	10.2	1.8
Gateway, Strategy and Engagement	2.5	3.2	0.7
Place	8.0	1.8	-6.2
Resources	8.0	1.5	-6.5
Total	27.9	28.7	0.8

Capital Programme 2019/22 – Key Schemes

- New SEN school
- Affordable Housing Programme
- Growth Zone
- Highways maintenance programme
- New Addington Leisure Centre
- Asset Acquisitions
- Libraries investment programme
- ICT

Council Tax

	18/19 £	% inc	Weekly inc £	19/20 £
Croydon C/Tax	1,257.18	2.99%	0.77	1,297.33
Adult social care	85.55	1.00%	0.26	98.98
GLA – DRAFT	294.22	8.93%	0.51	320.51
TOTAL	1,636.95	4.65%	1.54	1,716.82

Key Decisions

- Scrutiny review of budget 19/20 – 15 January 2019
- Budget 2019/20 – February 2019
- Consultations response on Fair Funding and Business rates – March 2019
- Spending Review – 2019?
- Financial Strategy review – July 2019
- Business rates reform and needs review – November 2019
- Budget 2020/21 – February 2020