

EXECUTIVE

Minutes of the meeting held on 1 February 2012 starting at 7.00 pm

Present:

Councillor Stephen Carr (Chairman)
Councillors Graham Arthur, Robert Evans, Councillor
Ernest Noad, Colin Smith and Tim Stevens

Also Present:

Councillor Nicholas Bennett J.P., Councillor Eric Bosshard,
Councillor Peter Fookes, Councillor Brian Humphrys,
Councillor William Huntington-Thresher, Councillor Russell
Mellor, Councillor Alexa Michael, Councillor Peter Morgan,
Councillor Richard Scoates and Councillor Stephen Wells

RECOMMENDATIONS FOR CONSIDERATION BY COUNCIL

132 COUNCIL TAX 2012/13

RES11157

The Executive received a report on the final issues affecting the 2012/13 revenue budget and the recommendations it would be making to Council on the level of the Bromley element of the 2012/13 Council Tax. Members were informed that confirmation of the final GLA precept would be reported direct to Council but the Finance Director advised that the indications were that there would be a 1% reduction which equated to about £3.10 per annum Band D equivalent. Final details of any other outstanding matters would be reported direct to the Council meeting on 20th February 2012. Set out in the report was a summary analysis of the key variations in the draft 2012/13 Budget, compared with the 2011/12 Budget, including various savings options that were subject to final approval. An 'Illustrative Bromley element' Council Tax of £999.31 was provided based on a nil increase. Approval was also being sought for the "Schools Budget". The report outlined the approach that had been taken which was for the Council to not only achieve a legal and financially balanced budget in 2012/13 but to also deal with the medium term financial position in 2013/14 to 2015/16.

The Chairman in introducing the Council Tax proposals referred to the importance placed on consultations and drew attention to the results of the public consultations with local residents that had concluded on 23rd January 2012. Partner Agencies had also been consulted, together with Head Teachers, Chairmen of Governors etc. The respective PDS Committees had also scrutinised the budget proposals/savings at recent meetings. All the views received to date had been circulated to enable them to be fully taken

into consideration when drawing up the Council's ultimate recommendations. He requested that the revised set of recommendations be circulated round the meeting for consideration.

The Finance Director referred to the situation as the most challenging budget process in recent years when having to achieve a balanced budget for the coming financial year yet having to carefully manage the effects for the next three years thereafter. As previously discussed at the January meeting (Minute 129 – 11.01.12 refers) the strategy was one of careful stewardship and achieving sustainability over the longer term. He highlighted Appendix 4 of the report which set out the risks and key issues that could have a significant impact on the Council's finances over the next few years. In particular the Council Tax Freeze Grant that for 2012/13 would be 'one-off' and which consequently had a knock on effect for the 2013/14 budget and would lead to a widening of the "budget gap" in future years. The Director also advised that there were recent technical changes arising from the Localism Act that needed to be taken into account in the way budget requirements were presented and a revised set of Legal Implications had been circulated. Reference was made to the fact that if a local authority were to set an excessive Council Tax then a referendum could be called with all the resulting implications including extra costs. Members were advised that the new changes were still subject to any further guidance awaited and if necessary updates would be presented direct to Council.

Councillor Fookes spoke of his concerns at cuts in important services such as Children's' Centres and Day Centres. He also gave examples of the difficulties faced by the 1 o'clock Club and the Orpington Gateway Club where their rents had been significantly increased by Mytime Active (Bromley Mytime) so that there was serious doubt about their future. At the same time reductions in the commissioning services for Bromley Mencap would also have an adverse effect on services for the most vulnerable. The Chairman responded that most of these concerns were covered in the revised proposals circulated which the member would have opportunity to consider in more depth before the Council meeting.

The Resources Portfolio Holder referred to the difficult decisions that had to be made in the present financial climate and that the consultation process had been very helpful and positive with residents now coming to understand more fully what the Council was up against. Councillor Arthur also commended Council staff that had put forward helpful suggestions and despite the difficulties was pleased to note that Bromley maintained one of the highest Council Tax collection rates in London. The Portfolio Holder for Adult & Community Services advised that in respect of Day Centres there would be no change for next year but discussions would start in the next few months on reviewing the services offered/or should be offered at Day Centres. On the issue of charging for re-ablement services it had been confirmed that legislation made it illegal for local authorities to do that. Councillor Evans also stated that the comments received concerning the lack of adequate consultation with deaf and disabled people had been duly noted and action would be taken to ensure this was rectified for the future. The Portfolio Holder

for Children & Young People stressed the challenges faced by the CYP Department and efforts made to balance the budget. He was pleased that alternative savings would be indentified in respect of CAMHS so that improvements to the service could continue. In addition the reductions for the Bromley Youth Trust would not go ahead but further discussions would be undertaken with the Trust to achieve savings in the following years and for them to become more self sufficient. The Chairman reiterated the challenging situation and that this budget was only part of a four year process which meant tough decisions had to be taken as the situation became even harder. However every effort would be made to make savings and efficiencies whilst maintaining front line services.

RESOLVED to RECOMMEND Council that

- 1) (a) the “schools” budget of £219.469 million be approved which matches the estimated level of Dedicated Schools Grant;**
- (b) the draft 2012/13 Budget and the additional savings for 2012/13 to 2013/14 , included in the report to the Executive, are approved with the following amendments:**
 - i) that the savings of £138k in 2012/13 and £250k per annum from 2013/14 relating to “reduced highways planned maintenance” (ref. 4) do not proceed;**
 - ii) that the savings of £190k in 2012/13 and £250k per annum from 2013/14 relating to minor carriageway/patching repairs (ref. 5) do not proceed;**
 - iii) that the savings of £268k per annum from 2012/13 relating to footway minor maintenance (ref. 7) do not proceed;**
 - iv) subject to the approval of (ii) and (iii) above agree an increase in parking charges to raise additional income of £458k per annum from 2012/13;**
 - v) that the savings of £259k in 2012/13 and £489k per annum from 2013/14 relating to grounds maintenance do not proceed (ref. 13);**
 - vi) that the savings of £61k in 2012/13 and £184k per annum from 2013/14 relating to green waste satellite sites do not proceed (ref. 16);**
 - vii) that the savings of £50k per annum from 2012/13 relating to the cost of democracy do not proceed (ref. 28);**
 - viii) that the savings of £300k per annum from 2012/13 relating to kerbside collections do not proceed (ref. 30);**
 - ix) subject to the approval of (viii) above, that further work be undertaken to identify savings arising from the roll out of the garden waste pilot;**

- x) that the savings of £125k per annum from 2012/13 relating to Children and Adolescent Mental Health Services (CAMHS) do not proceed (ref. 33);
- xi) subject to the approval of (x) above, that further work be undertaken to identify alternative savings from 2013/14 for the CAMHS service;
- xii) that the savings of £294k from 2012/13 relating to Bromley Youth Music Trust (BYMT) grant do not proceed (ref. 34);
- xiii) subject to the approval of (xii) above that further work be undertaken to achieve additional savings in the BYMT grant over the next two years;
- xiv) that the savings of £16k in 2012/13 and £32k per annum from 2013/14 relating to Carers Bromley do not proceed (ref. 42);
- xv) Reduce the provision for unallocated inflation by £997k to reflect the latest predictions of inflation levels;
- xvi) Reduce the provision for uncertain items by £210k.

(N.B. ref. number relates to Appendix 5 (C) of the “Draft 2012/13 Budget and Update on Council’s Financial Strategy 2013/14 to 2015/16” report to Executive in January 2012).

- (c) a contingency sum of £7,107k be approved incorporating the changes in (b) above;
- (d) the earmarked reserves totalling £12.642m in 2012/13 and £3.580m in 2013/14 be approved;
- (e) draft revenue budgets (as in revised Appendix 1) for 2012/13 be approved;
- (f) Executive identify alternative savings within the Portfolio Budgets where it is not possible to realise any proposed savings reported to the February meeting of the Executive meeting (except for changes in (b) above);
- (g) the following provisions for levies be included in the budget for 2012/13:

	£'000
<i>London Pension Fund Authority (LPFA)*</i>	455
<i>London Boroughs Grant Committee</i>	459
<i>Environment Agency (Flood Defence etc.) *</i>	218
<i>Lee Valley Regional Park *</i>	402
Total	1,534

* provisional estimate at this stage

- (h) it sets a nil variation in Bromley’s council tax for 2012/13 compared with 2011/12 and, based upon their consultation exercise, an assumed nil variation in the GLA precept (n.b. GLA precept figure may need to be amended once the actual GLA budget is set);

(i) notes the latest position on the GLA precept, which will be finalised in the overall council tax figure to be reported to full Council;

(j) the approach to reserves outlined in the report of the Finance Director be approved (see Appendix 5 of Executive report);

(k) the Finance Director be authorised to report any further changes directly to Council on 20th February 2012;

(l) the Finance Director in consultation with the Director of Resources and the Leader will amend the formal recommendations to reflect any further clarification received relating to the “technical” presentational changes required under the Localism Act;

2) Council Tax 2012/13 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011) be noted:

Subject to (1) (a) to (l) above, if the formal Council Tax Resolution as detailed below is approved, the total Band D Council Tax will be as follows:

	2011/12 £	2012/13 £	Increase %
Bromley	991.31	991.31	0.00
GLA *	309.82	309.82	0.00
Total	1301.13	1301.13	0.00

* The GLA Precept may need to be amended once the actual GLA budget is set.

3) Council to formally RESOLVE as follows:

1. It be noted that on 24th January 2012 the Council calculated the Council Tax Base 2012/13 as 134,061.

2. To calculate that the Council Tax requirement for the Council's own purposes for 2012/13 is £132,896k.

3. That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):

(a) £566,808k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.

(b) £433,912k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £132,896k being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the

Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.

(d) £991.31 being the amount at 3(c) above, divided by (1) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

4. To note that the Greater London Authority (GLA) has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below (NB. the GLA precept figure may need to be amended once the actual GLA budget is set although it is expected to remain unchanged).

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings.

LONDON BOROUGH OF BROMLEY

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
660.87	771.02	881.16	991.31	1211.60	1431.89	1652.18	1982.62

GREATER LONDON AUTHORITY

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
206.55	240.97	275.40	309.82	378.67	447.52	516.37	619.64

AGGREGATE OF COUNCIL TAX REQUIREMENTS

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
867.4 2	1011.9 9	1156.5 6	1301.1 3	1590.2 7	1879.4 1	2168.5 5	2602.2 6

6. That the Council hereby determines that its relevant basic amount of council tax for the financial year 2012/13, which reflects a nil increase, is not excessive having considered the Referendums Relating to Council Tax Increases (Principles) (England) Report 2012-13 which sets out the principles that the Secretary of State has determined will apply to local authorities in England in 2012-13 whereby the Council is required to determine whether its basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.