

EXECUTIVE

Minutes of the meeting held on 6 February 2013 starting at 7.00 pm.

Present:

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

Also Present:

Councillor Nicholas Bennett J.P., Councillor Eric Bosshard,
Councillor Peter Fookes, Councillor William Huntington-
Thresher and Councillor Richard Scoates

120 COUNCIL TAX 2013/14

Report RES13033

Members considered a report identifying the final issues affecting the 2013/14 revenue budget and the recommendations that would be made to Council on the level of the Bromley element of the 2013/14 Council Tax. It was reported that confirmation of the final GLA precept would be reported to Council on the revised meeting date of 27th February 2013. The Finance Director advised that of the 4 levies only one, the London Boroughs Grants Committee had been confirmed and provisional figures had therefore been included at this stage. Set out in the report was a summary analysis of variations in the draft 2013/14 Budget compared with the 2012/13 Budget, including saving options required to balance the budget for 2013/14 as well as changes since the Executive's last meeting. For guidance an illustrative Bromley element Council Tax of £1,0011.82 based on a 2% increase in 2013/14 had been calculated. Each 1% Council tax increase generated ongoing annual income of £1.2m. Approval was also being sought for the "Schools Budget".

The Chairman when introducing the Council Tax proposals referred to the very difficult financial situation facing local authorities and drew attention to revised recommendations circulated at the meeting which were based on a Bromley element Council Tax increase of 1.9% excluding the GLA precept. A balanced approach had been taken to ensure vital services were maintained yet at the same time reflecting the Council's commitment to the local economy by establishing an earmarked reserve fund for economic development. Councillor Carr referred to the importance placed on the consultations that had been carried out and felt that these proposals demonstrated that the Council had listened to what people had said. The Finance Director drew attention to the cost pressures facing the local authority and whilst achieving a balanced budget in the medium term there still remained a 'budget gap' for future years which could increase or decrease as a result of a number of

variables. The Council Tax proposals had been drawn up against a background of reduced government grant and the impact of recent government changes such as the localisation of business rates. In response to a query from a member he explained the inclusion of an additional recommendation for the draw down of funding to support the establishment of an Independent Complaints Advocacy Service to support people in making complaints about NHS services. This service was previously commissioned by the Department of Health but from 1st April 2013 would become the responsibility for individual local authorities. A supplementary paper had been circulated with the revised recommendations giving more background details concerning the arrangements and it was proposed that the decision be subject to the agreement of the Care Services Portfolio Holder in consultation with the PDS Committee at its meeting on 11th March 2013. The Chairman confirmed that he had had no formal response to his letter reiterating concerns about the low level of funding for Bromley reflected in the Local Government Financial Settlement but there had been one small piece of good news. The Government appeared to have listened to part of the concerns raised about LACSEG/ESG funding and had agreed some additional direct funding to support retained statutory services.

In October last year the Chancellor had announced that Councils that froze or reduced their Council tax in 2013/14 would get a grant equivalent to a 1% Council Tax increase in each of 2013/14 and 2014/15. Bearing in mind that a 2% Council Tax increase would raise income of £2.4m, the lower amount being offered by the Government could not realistically be utilised to support ongoing costs. The Chairman advised that the offer was only short term and would not cover the growth in costs in respect of older people and children in care which were putting huge demands on a shrinking budget. The Finance Director explained that the one off payments would fall out after 2 years but the Council's income base would be in a worse position. This was explained in more detail in the report together with an illustration of what the Council's position would be if it did take the grant being offered.

The Portfolio Holder for Resources speaking in support of the Council Tax proposals also highlighted the continuing rise in costs to the Council despite every effort to make efficiencies and savings. He considered a pragmatic approach was needed as it would not be prudent to spend savings which once gone would leave nothing to fall back on but rather to use the Council's assets more effectively which was what was happening. All Executive members indicated their support for the recommendations to go forward to Council. The Finance Director advised that there were still a number of technicalities to be settled and the recommendations to Council would need to reflect this and the technicalities could not be finalised until the outcome of the levies were known.

RESOLVED that the Finance Director be authorised to report any further changes directly to Council on 27th February 2013;

RESOLVED to RECOMMEND Council that

1) (a) the schools budget of £127.4 million be approved which matches the estimated level of Dedicated Schools Grant (DSG);

(b) the draft revenue budgets (as shown in revised Appendix 2) for 2013/14 be approved with the following amendments, including changes to earmarked reserves (see (c) to (h) below;

(c) To reflect the Council's commitment to economic development it is proposed that Council approve an earmarked reserve for economic development totalling £16,319k as detailed below, which includes reallocation of existing reserves (£12,029k), contributions from 2012/13 underspends of £3,261k (2012/13 Financial Monitoring Report) and utilisation of unallocated balance on the collection fund (£1,029k):

	£'000
Utilisation of remaining balance on collection fund	1,029
Utilisation of savings in 2012/13 (mainly early achievement of 2013/14 Budget savings)	3,261
Existing earmarked reserves (including reserves as part of 2013/14 draft budget)	
- New Homes Bonus	6,591
- Part utilisation of infrastructure investment fund (£5,768k)	3,768
- Glades Development	850
- LPSA/LAA Reward Grant Investment Fund (uncommitted balance remaining)	820
Economic Development Fund	16,319

(d) approval be given to the allocation of £70,435 from the Local Reform and Community Voices Grant (total grant sum £208,498) in 2013/14 and 2014/15 to fund an Independent Complaints Advocacy Service. which will be subject to the agreement of the Care Services Portfolio Holder, (in the week beginning 11th March 2013) in consultation with the Chairman of the Care Services Policy Development and Scrutiny Committee to the award of the contract from April 2013;

(e) to note that the funding requested in (d) above relates to meeting a new statutory responsibility from April 2013;

(f) agree to reduce the provision for unallocated inflation by £124k;

(g) approve a contingency sum of £13,021k (see section 9 of the report);

(h) approves the following provisions for levies for inclusion in the budget for 2013/14:

	£'000
London Pension Fund Authority *	504
London Boroughs Grant Committee	341
Environment Agency (Flood defence etc) *	217
Lee Valley Regional Park *	385
Total	1,447

*** Provisional estimate at this stage**

(i) Chief Officers be requested to identify alternative savings within their departmental budgets where it is not possible to realise any proposed savings reported to the current and previous meetings of the Executive;

(j) responsibility for agreeing and signing the Transfer Scheme for Public Health be delegated to the Chief Executive and the Resources Portfolio Holder who will update the Executive and Resources PDS Chairman and the Leader accordingly (see section 7 of the report);

(k) the latest position of the net impact of changes in Local Authority Central Services Education Grant funding as shown in section 4.2 of the report be noted;

(l) it notes that the latest position on the GLA precept, which will be finalised in the overall Council Tax figure will be reported to full Council (see section 16 of the report);

(m) the approach to reserves outlined by the Finance Director be approved (see Appendix 5);

(n) it sets a 1.87% increase in Bromley's Council Tax for 2013/14 (including levies) compared with 2012/13 and, based upon their consultation exercise, an assumed 1.21% reduction in the GLA precept (N.B. GLA precept figure may need to be amended once the actual GLA budget is set, although it is expected to remain unchanged); which results in an overall increase (including GLA precept) of 1.14%; and

(p) 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;

2.2.1 Council Tax 2013/14 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011).

Subject to 2.1 (a) to (h) above, if the formal Council Tax Resolution as detailed below is approved, the total Band D Council Tax will be as follows:

	2012/13 £	2013/14 £	Increase/decrease (-) %
Bromley	991.31	1,009.89	1.87
GLA *	306.72	303.00	-1.21
Total	1298.03	1312.89	1.14

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

2.3 Council formally RESOLVES as follows:

1. It be noted that, as detailed in section 15 of the report, the Council Tax Base for 2013/14 is 122,140.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2013/14 is £123,348k.
3. That £1009.89 be calculated by the Council as the basic amount of its Council Tax (Band D) 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).
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 2013/14 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
£	£	£	£	£	£	£	£
673.26	785.47	897.68	1,009.89	1234.31	1458.73	1683.15	2,019.78

GREATER LONDON AUTHORITY

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
202.00	235.67	269.33	303.00	370.33	437.67	505.00	606.00

AGGREGATE OF COUNCIL TAX REQUIREMENTS

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
875.26	1021.14	1167.01	1312.89	1604.64	1896.40	2188.15	2625.78

6. That the Council hereby determines that its “relevant” basic amount of council tax for the financial year 2013/14, which reflects an increase of 1.97%, is not excessive. The Referendums Relating to Council Tax Increases (Principles) Report (England) 2013/14 sets out the principles which the Secretary of State has determined will apply to local authorities in England in 2013/14. The Council is required to determine whether its “relevant” basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992. Taking into account the changes to levies {see 2.1. (h)}, the Council’s basic amount of council tax increases by 1.87% (see 2.2).