

## **EXECUTIVE**

Minutes of the meeting held on 10<sup>th</sup> February 2016 starting at 7.00pm

### **Present**

Councillor Stephen Carr (Chairman)  
Councillors Graham Arthur, Robert Evans, Peter Fortune,  
Kate Lymer, Peter Morgan and Colin Smith

### **Also present**

Councillors Nicholas Bennett JP, Simon Fawthrop,  
William Huntington-Thresher, Alexa Michael,  
Tim Stevens JP, Stephen Wells and Angela Wilkins

## **2016/17 COUNCIL TAX**

Report FSD16017

Report FSD16017 outlined final issues affecting the 2016/17 revenue budget and sought recommendations to Council on the level of the Bromley element of the 2016/17 Council Tax. The report reflected the Council's approach to not only achieve a legal and financially balanced budget in 2016/17 but to have measures in place to deal with the medium term financial position (2017/18 to 2019/20). The report also sought final approval of the schools budget. The final GLA precept was intended to be reported to full Council on 22nd February 2016.

Replacement recommendations were tabled for the meeting as was supplementary information related to positive news for L B Bromley in the final 2016/17 Local Government Financial settlement published on 8<sup>th</sup> February 2016. Details included:

- new transitional grant of £2.068m in 2016/17 and £2.052m in 2017/18 as one-off income; and
- no change for 2018/19 and 2019/20 funding levels although the Secretary of State for Communities and Local Government had indicated there would be a 100% devolution of business rates by 2019/20 combined with a new "needs assessment" of the funding formula, this being brought forward by a year.

The "budget gap" outlined in Report FSD16017 is nil in 2016/17, £8.9m in 2017/18, £12.5m in 2018/19 and £25.8m in 2019/20. This excluded the transitional grant for 2016/17 and 2017/18 which would not reduce the medium and longer term "budget gap".

Information was also tabled concerning the Better Care Fund (BCF). In view of an ambitious programme to deliver BCF objectives for 2015/16, an element of the budget would require re-profiling into 2016/17 to ensure delivery of the objectives. A one-off sum of £3.1m was therefore requested to be set aside from the Fund to a new Council earmarked reserve in order to allow continuation of agreed joint schemes and to be used as pump priming investment for more cost effective delivery models across Health and Social care in Bromley. This would be part of a formal agreement with Bromley CCG under Section 75 of the National Health Service Act 2006.

Comments from PDS Committees in considering the initial draft budget were also tabled.

The Director of Finance outlined the background of financial constraint leading to the Council's budgetary outlook. It was necessary to take a four-year view. Given the level of funding reduction and associated cost pressures e.g. those related to welfare reforms, it was necessary to continue finding savings to offset grant shortfall and cost pressures. There had been much lobbying to have L B Bromley's case recognised and although not contributing to the Council's long term budget gap, the outcome in the final 2016/17 Local Government Financial Settlement provided positive transition funding. However, there would be further funding reductions over the next four years and there continued to be a budget gap from 2017/18. By 2019/20 it was necessary for the Council to be self-sufficient with the full devolution of business rates and the review of the needs assessment completed. The Council will need to achieve high levels of income to contribute towards a sustainable way forward. Nevertheless, further savings would continue to be necessary and the transitional funding, although welcomed, is non-recurring and will not reduce the Council's long term budget gap. The Director also referred to the Adult Social Care Precept which local authorities were allowed to levy following the Chancellor's spending review last autumn.

The Deputy Leader thanked all concerned in lobbying to pursue L B Bromley's case. The new transitional grant would be helpful for the next two years albeit not continuous. The Leader also requested that the Director of Finance be included amongst those to be thanked.

The Deputy Leader referred to the transitional funding being a separate matter to any council tax decision making as it is non-recurring.

The Portfolio Holder for Resources also highlighted the value of income from investment, including returns from the Council's property portfolio. Councillor Peter Fookes (Penge and Cator) highlighted concerns for day centres for the elderly in the borough.

Further detail was awaited on the four-year funding offer outlined in provisional funding allocations from 2016/17 to 2019/20 and how any associated process might operate. The Leader felt that more clarity would be helpful and an opportunity to work with Government to secure further detail would be welcomed.

**RESOLVED that:**

**(1) Council be recommended to:**

- (a) on the basis of two further schools having converted to Academy Status, approve a revised schools budget of £83.7 million which matches the estimated level of Dedicated Schools Grant (DSG) after academy recoupment;**
- (b) approve the draft revenue budgets for 2016/17 (as at Appendix 2 to Report FSD16017) including the following updated changes -**
  - (i) reduction in Independent Living Fund (ILF) Grant from £701k estimated in the draft budget to £666k (the proposed methodology for the value of the grant and the allocation of the funding is subject to consultation which ends on 22<sup>nd</sup> March 2016);**
  - (ii) increase in SEND Implementation Grant from £177k to £201k (£24k increase) with a corresponding increase in expenditure held in central contingency;**
- (c) consider the utilisation of the transitional funding from central Government of £2,068k in 2016/17 and £2,052k in 2017/18 in the light of the views expressed by the Executive;**
- (d) set aside a sum of £3,100k in 2015/16 as an earmarked reserve related to the continuation of various joint schemes and pump priming investment as detailed in the further supplementary paper to Report FSD16017;**
- (e) agree that Chief Officers identify alternative savings within their departmental budgets where it is not possible to realise any proposed savings reported to the Executive's previous meeting on 13<sup>th</sup> January 2016;**
- (f) approve the following provisions for levies to include in the budget for 2016/17:**

	<b>£'000</b>
<b>London Pension Fund Authority *</b>	<b>464</b>
<b>London Boroughs Grant Committee</b>	<b>320</b>
<b>Environment Agency (Flood defence etc)</b>	<b>238</b>
<b>Lee Valley Regional Park *</b>	<b>362</b>
<b>Total</b>	<b>1,384</b>

*\*awaiting written confirmation*

- (g) approve a revised Central Contingency sum of £15,341k to reflect the changes in (b) and (f);
  - (h) approve the revised draft 2016/17 revenue budgets to reflect the changes detailed above;
  - (i) set a 3.99% increase in Bromley’s council tax for 2016/17 (1.99% general increase plus 2% Adult Social Care Precept) compared with 2015/16 and, based upon their consultation exercise, an assumed 6.4% reduction in the GLA precept;
  - (j) note the latest position on the GLA precept (which will be finalised in the overall Council Tax figure to be reported to full Council - see section 11 of Report FSD16017);
  - (k) approve the approach to reserves outlined by the Director of Finance (see Appendix 4 to Report FSD16017);
  - (l) request that Executive consider whether it is minded to accept the four year funding offer (see Section 16 of Report FSD16017);
  - (m) receive any further changes from the Director of Finance;
- (2) Council Tax 2016/17 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011) -

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

	2015/16 £	2016/17 £	Increase/ decrease (- ) %
<b>Bromley (general)</b>	1,030.14	1,050.67	1.99
<b>Bromley (ASC precept)</b>		20.60	2.00
<b>Bromley (total)</b>	1,030.14	1,071.27	3.99
<b>GLA *</b>	295.00	276.00	-6.44
<b>Total</b>	1,325.14	1,347.27	1.67

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

- (3) Council be recommended to formally resolve as follows -

- (i) the Council Tax Base for 2016/17 be noted as 126,656 ‘Band D’ equivalent properties;
- (ii) the Council Tax requirement for the Council’s own purposes for 2016/17 be calculated as £135,683k;

(iii) the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act) -

(a) £537,293k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act;

(b) £401,610k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;

(c) £135,683k being the amount by which the aggregate at (iii) (a) above exceeds the aggregate at (iii) (b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year;

(d) £1,071.27 being the amount at (iii) (c) above, divided by (i) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;

(iv) 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);

(v) 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 2016/17 for each part of its area and for each of the categories of dwellings.

#### **LONDON BOROUGH OF BROMLEY**

<b>Valuation Bands</b>							
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>714.18</b>	<b>833.21</b>	<b>952.24</b>	<b>1,071.27</b>	<b>1,309.33</b>	<b>1,547.39</b>	<b>1,785.45</b>	<b>2,142.54</b>

#### **GREATER LONDON AUTHORITY**

<b>Valuation Bands</b>							
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>184.00</b>	<b>214.67</b>	<b>245.33</b>	<b>276.00</b>	<b>337.33</b>	<b>398.67</b>	<b>460.00</b>	<b>552.00</b>

## AGGREGATE OF COUNCIL TAX REQUIREMENTS

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
898.1	1,047.8	1,197.5	1,347.2	1,646.6	1,946.0	2,245.4	2,694.5
8	8	7	7	6	6	5	4

(vi) that the Council hereby determines that its relevant basic amount of council tax for the financial year 2016/17, which reflects a 3.99% increase (including Adult Social Care Precept of 2%), is not excessive. The Referendums Relating to Council Tax Increases (Principles) (England) Report 2016/17 sets out the principles which the Secretary of State has determined will apply to local authorities in England in 2016/17. 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.