

Report of the Director of Finance re. Item 9 (2017/18 Council Tax)

Changes required to the Council Tax Resolution (recommendations from the Executive to Council).

There were no changes to the final Mayoral precept accepted by the London Assembly on 20th February 2017.

Since the last meeting of the Executive there have been further changes on levies and the final position is shown in recommendation 2.1 (d) below.

On 20th February details of the final Local Government Finance Settlement were published. There are no changes to the level of Settlement Funding compared to the provisional settlement. Final allocations of New Homes Bonus were also confirmed and Bromley's allocation is £85k higher than previously estimated due to returned top-slice funding.

On 21st February 2017 the Department for Communities and Local Government issued the conditions relating to the Adult Social Care precept:

2% increase requires information to ensure that adult social care budgets are not being decreased by a greater proportion than those of other non-ringfenced services and that the precept is being used for adult social care costs;

3% increase requires additional evidence that the extra funding will be used to improve the way that adult social care services are delivered;

as announced in the provisional settlement the precept increase must be no greater than 6% in total over the next three years.

Updated information has been received from Bromley CCG regarding the 2017/18 Better Care Fund. This provides an indicative allocation of £20,287k compared to £20,427k previously reported. £38k of this reduction relates to funding retained by the CCG resulting in a reduction of £102k in the Bromley element and the draft Central Contingency has been reduced to reflect this. Final allocations are awaited and any required changes will be reflected in the 2017/18 budget monitoring reports.

Members are requested to note that, since the last report to Executive the following items have been allocated from the Central Contingency to Portfolio budgets:

Impact of Pension Fund Triennial Valuation - £700k
Education SEN and Adult Social Care - £1,200k
Apprenticeship Levy - £350k
National Living Wage - £737k
Other Minor Variations - £10k

It is important to note that the 2017/18 Central Contingency sum includes significant costs not yet allocated to Portfolio budgets at this stage. Therefore, there will be further changes to the Central Contingency to reflect allocations to individual Portfolio budgets prior to publication of the Financial Control Budget.

The above changes will require the following proposed amendments to be made to the recommendations of the Executive:

Amended Recommendation (2.1)

- (b) approves the draft revenue budgets for 2017/18 with the following amendments:
- (iii) On 8th February 2017, Executive approved the drawdown of £1m from the Central Contingency Budget for 2017/18 to meet the impact of the National Living Wage and associated increase in ceiling rates. Details are set out in a report entitled “Care Home and Extra Care Quality Monitoring Report 2016”.
 - (iv) an increase of £85k in New Homes Bonus set aside to support the revenue budget;
 - (v) a reduction of £102k Better Care Fund to be deducted from provision set aside in the Central Contingency;
 - (vi) a reduction of £2,997k in the 2017/18 Central Contingency to reflect allocations to Portfolio Budgets.
- (d) approves the following provisions for levies to include in the budget for 2017/18:

	£'000
London Pension Fund Authority	461
London Boroughs Grant Committee	281
Environment Agency (Flood defence etc)	241
Lee Valley Regional Park	338
Total	1,321

- (e) approves a revised Central Contingency sum of £15,177k to reflect the changes in (b) and (d);
- (h) sets a 3.99% increase in Bromley’s council tax for 2017/18 (1.99% general increase plus 2% Adult Social Care Precept) compared with 2016/17 and a 1.5% increase in the GLA precept;
- (i) notes the final position on the GLA precept, as accepted by the London Assembly on 20th February 2017.

Amended Recommendation (2.2)

Council Tax 2017/18 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011).

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

	2016/17 £	2017/18 £	Increase % (note #)
Bromley (general)	1,050.67	1,072.00	1.99
Bromley (ASC precept)	20.60	42.02	2.00
Bromley (total)	1,071.27	1,114.02	3.99
GLA	276.00	280.02	1.46
Total	1,347.27	1,394.04	3.47

in line with the 2017/18 Council Tax Referendum Principles, the % increase applied is based on an authority's 'relevant basic amount of Council Tax' (£1,071.27 for Bromley) – see paragraph 6 below.

Amended Recommendation (2.3):

- (3) that the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):
- (a) £530,785k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £387,608k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (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.
- (6) That the Council hereby determines that its relevant basic amount of council tax for the financial year 2017/18, 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 2017/18 sets out the principles which the Secretary of State has determined will apply to local authorities in England in 2017/18. 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.