

COUNCIL

26th February 2018

2018/19 COUNCIL TAX – COMMENTS FROM PDS COMMITTEES

EXECUTIVE & RESOURCES PDS COMMITTEE

4th January 2018

DRAFT 2018/19 BUDGET AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY 2019/20 TO 2021/22 Report FSD18001

The report sought the approval of the Executive of the initial draft 2018/19 Budget including the full year effect of changes agreed as part of the 2017/18 Council Tax report including savings approved during the year with the resultant impact on the Council's medium term "budget gap". The report also provided details of the third year of the four year local government financial settlement (2018/19 to 2019/20), the impact of the Chancellor's Autumn Budget 2017 and the provisional Local Government Financial Settlement 2018/19.

In response to a question, the Director of Finance reported that there were opportunities to challenge the policies of Government in relation to Local Government finance. The Government was listening to some of the concerns that were being raised. The Leader, Resources Portfolio Holder and Senior Officers were lobbying hard to highlight the position in which Bromley found itself and to ensure that Bromley received a fairer funding settlement. On the day after the provisional Local Government Settlement had been announced the Leader, Portfolio Holder for Resources, Chief Executive and Director of Finance had met with the Secretary of State for Communities and Local Government to discuss the various financial challenges. Generally, Local Government Finance was becoming more complex however it appeared that the Government was now listening more than in previous years. The Local Authority was taking steps to ensure that Ministers were fully appraised of all the issues.

The Chairman noted that Council had powers to raise empty homes premium from the current 50% of council tax to 100% of council tax. It was agreed that the Executive should be asked to consider this option as it provided an opportunity to raise additional revenue. In response to questions from Members the Director of Finance explained that as a general rule any liveable property that remained vacant was deemed to be an empty property although there were exceptions to this such as where the property formed part of an estate for the purposes of probate. It was agreed that the Director of Finance would forward the definition of 'empty property' to the Committee

Action Point 17: That the Director of Finance forward the definition of "Empty Property" to the Committee.

The Chairman also highlighted that action would need to be taken by Chief Officers to fund increasing costs through alternative savings in the event that inflation exceeded budget assumptions. It was agreed that there should be a specific recommendation for the Executive to note this.

Members noted the perverse situation highlighted in Appendix 2 of the report whereby in 2019/20 Bromley was due to face negative Revenue Support Grant and could be required to pay the Government £2.3m. Members encourage senior politicians and officers to continue to lobby on this matter to achieve a fair outcome for Bromley.

Members noted that the Local Government Finance Settlement 2018/19 had confirmed that Council would be in a position to increase Council Tax by up to 2.99% without a referendum in addition to the Social Care precept.

The Committee also noted that, in the face of mounting financial challenges, there would be a need to manage the rising expectations of residents across the Borough. The Director of Finance further noted that it would not be possible to reduce local government funding by the amount that was being proposed whilst continuing to expect local government to meet the same number of statutory responsibilities. Whilst the financial outlook was very challenging it appeared that the view of the Government was simple, there was a clear expectation that council's across the Country have a legal obligation to balance their budgets.

RESOLVED: That the Executive be recommended to:

- 1. Agree the initial draft 2018/19 Budget detailed in Appendix 7 to the report;**
- 2. Refer the initial draft 2018/19 Budget for each portfolio to the relevant PDS Committees for consideration;**
- 3. Note the financial projections for 2019/20 to 2021/22;**
- 4. Note that there are still areas of financial uncertainty which will impact on the final 2018/19 Budget and future year forecasts;**
- 5. Delegate the setting of the schools budget, mainly met through Dedicated Schools Grant, to the Education, Children and Families Portfolio Holder, allowing for consultation with head teachers, governors and the Schools Forum;**
- 6. Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive;**
- 7. Consider the outcome of the public consultation meetings detailed in Appendix 10 of the report;**

- 8. Agree the proposed contribution of £248,033 in 2018/19 to the London Boroughs Grant Committee;**
- 9. Note the outcome of the Provisional Local Government Financial Settlement 2018/19 as detailed in the report;**
- 10. Note the significant budget gap remaining of an estimated £38.7m per annum by 2021/22 and that any decisions made for the 2018/19 Budget will have an impact on the future year projections;**
- 11. Note that any final decision by Executive on recommended council tax and social care precept levels to Council will normally be undertaken at the next meeting of Executive;**
- 12. Consider the option of raising the empty homes premium to 100% of council tax.**
- 13. Agree to delegate authority to the Director of Finance in consultation with the Director of Corporate Services, Leader of the Council and the Resources Portfolio Holder, in relation to the operational details of the London Business Rate Pilot pooling arrangements with the participating authorities;**
- 14. Agree to enter into a Memorandum of Understanding with the participating authorities as may be necessary to implement and/or regulate the pool and to delegate authority to the Director of Finance in consultation with the Director of Corporate Services, Leader of the Council and the Resources Portfolio Holder, to finalise the arrangements on behalf of the Council.**
- 15. Note that action will need to be taken by Chief Officers to fund increasing costs through alternative savings in the event that inflation exceeds the budget assumptions.**

CARE SERVICES PDS COMMITTEE

9th January 2018

CARE SERVICES PORTFOLIO DRAFT BUDGET 2018/19

Report CS18112

The Committee considered a report setting out the draft Care Services Portfolio Budget for 2018/19, which incorporated future cost pressures and initial draft saving options to be reported to the Council's Executive on 10th January 2018. Members were requested to provide their comments on the proposed savings and identify any further action to be taken to reduce cost pressures facing the Local Authority over the next four years.

The Head of Education, Care and Health Services Finance advised Members that a number of pressures would continue to impact the Care Services Portfolio budget for 2018/19. This included further increases to the National Living Wage from April

2018, escalating demand for temporary accommodation and homelessness services and the impact of recent welfare reform changes. There continued to be significant pressure in the area of Adult Social Care for which the Government had agreed further non-recurring Improved Better Care Funding of £4.463M in 2018/19, £3.363M in 2019/20 and £1.677M in 2020/21 to be utilised in agreement with the Bromley Clinical Commissioning Group. The Government had previously agreed that the Local Authority could apply an annual Social Care Council Tax Precept at 3% for 2018/19, subject to a maximum of 6% being applied across the period 2017/18 to 2019/20 and this could be used to offset the additional costs of the National Living Wage.

A Member highlighted concerns around how continued growth pressures in key areas such as Adult Social Care and Housing would make it more difficult to address the significant budget gap within the Local Authority budget in future years. The Head of Education, Care and Health Services Finance confirmed that work was ongoing to manage the Care Services Portfolio budget for future years, including service transformation work with key partners and that areas of growth pressure could be offset using contingency funds where appropriate. Another Member noted that there were both demographic and structural factors impacting the growth in demand for Care Services, including an ageing population and the impact of national changes to benefits entitlement and the National Living Wage.

RESOLVED that:

- 1) The financial forecast for 2018/19 to 2021/22 be noted;**
- 2) Members' comments on the initial draft Care Services Portfolio budget 2018/19 as a basis for setting the 2018/19 budget be noted; and,**
- 3) Members' comments on the initial draft Care Services Portfolio budget 2018/19 be provided to the meeting of the Council's Executive on 7th February 2018.**

PUBLIC PROTECTION & SAFETY PDS COMMITTEE

16th January 2018

DRAFT BUDGET 2018/19

Report FSD 18008

The Draft 2018/19 Budget report was written by Claire Martin—Head of Finance.

Members were requested to consider the initial draft budget proposed and identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.

Executive were requesting that each PDS Committee consider the proposed initial draft budget savings and cost pressures for their Portfolio and that the views of each PDS Committee be reported back to the next meeting of the Executive, prior to the Executive making the recommendations to Council on 2018/19 Council Tax levels.

The Committee was being asked to consider the update on the financial forecast for 2018/19 to 2021/22, and also to consider the initial draft 2018/19 Budget as a basis for setting the 2018/19 Budget. The Committee was also being asked to provide comments on the initial draft 2018/19 Budget for the February meeting of the Executive.

RESOLVED that

(1) The update on the financial forecast for 2018/19 to 2021/22 be noted

(2) The initial draft budget be agreed as the basis for the setting of the 2018/19 budget.

EDUCATION, CHILDREN & FAMILIES BUDGET & PERFORMANCE

MONITORING SUB-COMMITTEE

17th January 2018

EDUCATION, CHILDREN AND FAMILIES PORTFOLIO BUDGET 2018/19

Report ED18037

The Sub-Committee considered a report setting out the Portfolio Holder's draft 2018/19 Budget which incorporated future cost pressures and initial draft budget saving options which had been reported to Executive on 10th January 2018. Executive were requesting that each PDS Committee consider the proposed initial draft budget saving and cost pressures for their Portfolio and report back to the next meeting of the Executive, prior to recommendations being made to Council on 2018/19 Council Tax Levels.

The Sub-Committee noted that significant changes had been seen in the universal offer in children's services with the redesign of the youth service giving a much greater focus on statutory provision. Key challenges remained in reducing children social care caseloads and improving practice to ensure that children and young people were safeguarded. A range of actions were to be undertaken to address these challenges. The ongoing risk to the Children's Service area was the complexity of children requiring a statutory service, the increase and identification of children subject to Child Sexual Exploitation, Missing and Gangs; and some late entrants to care with very complex histories that required specialist placements.

Members noted that the Social Work Act would have a financial and resource impact both in terms of the fact that Care Leavers would be supported by the Local Authority up to the age of 25, and also because any child living within Bromley who had been adopted could expect to be supported by the Virtual School.

RESOLVED: That the Education, Children and Families Portfolio Draft Budget 2018/19 be noted.

RENEWAL & RECREATION PDS COMMITTEE

24th January 2018

DRAFT BUDGET 2018/19

Report FSD18009

The report outlined the Portfolio Holder's draft 2017/18 Budget incorporating the full year effect of savings agreed as part of the 2017/18 Council Tax report and any further savings approved during the year which had resulted in reductions in the Council's medium term 'budget gap'. Members were requested to consider the initial draft budget savings proposed and identify any further action that might be taken to reduce cost pressures facing the next four years.

The Executive had requested each PDS Committee to consider the proposed initial draft budget savings and cost pressures for their Portfolio and for comments to be submitted to the Executive meeting on 7th February.

Members noted there were still outstanding issues and areas of uncertainty. Any further updates would be included in the 2018/19 Council Tax report to be considered by Members of the Executive in February.

It was noted that savings would be achieved over the term of the GLL libraries contract, but the same number of books would still be purchased by the Library Service each year. GLL were able to procure the same number of books for slightly less cost than the Council. There was also investment in new PCs and other IT infrastructure for the libraries.

Councillor Robert Evans requested details of the contracts referred to in the table at paragraph 6.1 of the report "Savings from recommissioning/ retendering of various contracts."

The report (paragraph 7.5) advised Members of a risk in not collecting the full amount of CIL contributions, 96% of which were passed on to the Mayor of London to support the Crossrail project. A range of measures had been agreed to address this, and officers confirmed that the Mayor could not demand that any shortfall be paid by the Council even if the money was not received. Officers agreed to inform Members of the sums involved.

The Committee noted that planning fees were set nationally, including the provisions for free applications after a refusal, and had just gone up by 20% after a gap of several years. However, the money received was ring-fenced to planning.

RESOLVED that:-

- (1) The update on the financial forecast for 2018/19 to 2021/22 be noted;**
- (2) The initial draft 2018/19 Budget be used as a basis for setting the 2018/19 Budget; and**

- (3) Member comments on the initial draft 2018/19 Budget be made available to the meeting of the Executive on 7 February 2018.**

ENVIRONMENT PDS COMMITTEE (DRAFT)

30th January 2018

DRAFT 2018/19 BUDGET

Report FSD18010

Members considered the Portfolio Holder's Draft 2018/19 Budget incorporating the full year effect of savings agreed as part of the 2017/18 Council Tax Report and any further savings approved during the year resulting in reductions in the Council's medium term "budget gap".

Executive requested that each PDS Committee consider the proposed initial draft budget savings and cost pressures for their Portfolio with the views of each PDS Committee reported back to the Executive's next meeting when recommendations were expected to be made to Council on 2018/19 Council Tax levels. There continued to be outstanding issues and areas of uncertainty for the Draft 2018/19 Budget and any further updates would be included in the Council Tax report to Executive.

In supporting the draft budget, reference was made to an increasing number of properties in the borough - the level now rising on average by about 1000 properties annually. The annual additional cost of collection (refuse, recycling and food waste) and waste disposal for the new properties amounts to approximately £134k to the waste budget. Although this represented a growth item for the budget, Council tax revenue was also received for the properties and the waste budget (set centrally each year) reflected waste and recycling collection costs.

RESOLVED that:

- (1) the update on the financial forecast for 2018/19 to 2021/22 be noted;**
- (2) the initial draft 2018/19 Budget be noted as a basis for setting the 2018/19 Budget; and**
- (3) the Committee's comments on the initial draft 2018/19 Budget be provided for the Executive to consider at their meeting on 7th February 2018.**

EXECUTIVE AND RESOURCES PDS COMMITTEE

2nd February 2018

(6) 2018/19 COUNCIL TAX Report FSD18016

The Committee considered a report identifying the financial issues affecting the 2018/19 revenue budget and seeking recommendations to the Council on the level of the Bromley element of the 2018/19 Council Tax and Adult Social Care precept. It was noted that confirmation of the final GLA precept would be reported to the Council meeting on 22nd February 2018. The report also sought final approval of the 'schools budget'.

RESOLVED: That Executive be recommended to recommend to Council that:

1. The schools budget of £76.696m which matches the estimated level of Dedicated Schools Grant (DSG), after academy recoupment, be approved;
2. The draft revenue budgets for 2018/19 be approved;
3. That Chief Officers identify alternative savings within their departmental budgets where it is not possible to realise any savings reported to the previous meeting of the Executive held on 10th January 2018;
4. That a contingency sum of £14,857k be approved;
5. That the following provisions for levies for inclusion in the budget for 2018/19 be approved:

	£'000
Local Pension Partnership *	487
London Boroughs Grant Committee	248
Environment Agency (Flood defence etc.) *	250
Lee Valley Regional Park *	380
Total	1,398

* Provisional estimate at this stage

6. The latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council be noted;
7. The "Bromley element" of the Council Tax for 2018/19 to be recommended to the Council, including a general increase and the Adult Social Care Precept, having regard to possible 'referendum' issues be considered;
8. The approach to reserves outlined by the Director of Finance be approved;

- 9. The final Local Government Finance Settlement 2018/19 is still awaited and the late information from the Valuation Office Agency could also have an impact on the final 2018/19 Budget position;**
- 10. Any decision on final council tax level will also require additional “technical” recommendations, to meet statutory requirements, which will be completed once the final outcome of levies are known at the full Council meeting; and**
- 11. That the Director of Finance be authorised to report any further changes directly to Council on 26th February 2018.**