

Decision Maker: COUNCIL

Date: Monday 25 February 2019

Decision Type: Non-Urgent Non-Executive Non-Key

Title: 2019/20 COUNCIL TAX

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Chief Officer: Mark Bowen, Director of Corporate Services

Ward: All

1. Reason for report

- 1.1 At its meeting on 13th February 2019 the Executive considered the attached report on the 2019/20 Revenue Budget, and made recommendations concerning the level of the Bromley element of the 2019/20 Council Tax and Adult Social Care Precept. At the Executive's meeting, amended recommendations were tabled, along with a revised Appendix 2 (the summary of the draft 2019/20 Revenue Budget) and comments from all PDS Committees on the budgets proposed for their respective portfolios. The Executive supported the recommendations as amended and recommended that they be approved by full Council. The Executive also authorised the Director of Finance to report any further changes directly to Council on 25th February 2019.

2. **RECOMMENDATIONS**

2.1 **The Executive recommends to Council that it:**

- (a) **Approves the schools budget of £76.722 million which matches the estimated level of Dedicated Schools Grant (DSG) after academy recoupment (a reduction of £922k – see (b) below);**
- (b) **Approves the draft revenue budgets (as in Appendix 2) for 2019/20 to include the following updated changes:**
 - (i) **DfE have refused a disapplication request by the Council resulting in increased costs of £1m (£922k reduction in DSG income due to Academy recoupment and £78k to an increase in expenditure for maintained schools). This is offset by a**

reduction of £788k held in the Central Contingency for additional 2019/20 High Needs (SEN) Funding. The shortfall of £212k will be met from the Government's additional 2018/19 High Needs Funding which will be reflected in the next Budget Monitoring 2018/19 report to Executive.

(ii) Parking Income £308k – subject to the final agreement of the Portfolio Holder for Environment & Community Services.

(iii) Other minor variations totalling £65k mainly relating to Business Rate Levy funding and updated collection fund surplus.

(c) Agrees that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 16th January 2019;

(d) Approves the following provisions for levies for inclusion in the budget for 2019/20:

	£'000
London Pensions Fund Authority	452
London Boroughs Grant Committee	249
Environment Agency (flood defence etc.)	249
Lee Valley Regional Park	312
Total	1,262

(e) Approves a revised Central Contingency sum of £10,943k to reflect the changes in (b) and (d);

(f) Notes that the 2019/20 Central Contingency sum includes significant costs not yet allocated and there will therefore be further changes to reflect allocations to individual Portfolio budgets prior to publication of the Financial Control Budget;

(g) Approves the revised draft 2019/20 revenue budgets to reflect the changes detailed above;

(h) Sets a 4.99% increase in Bromley's council tax for 2019/20 compared with 2018/19 (2.99% general increase plus 2% Adult Social Care Precept) and notes that, based upon their consultation exercise, the GLA are currently assuming a 8.9% increase in the GLA precept;

(i) Notes the latest position on the GLA precept, as above, which will be finalised in the overall Council Tax figure to be reported to full Council (see section 12);

(j) Approves the approach to reserves outlined by the Director of Finance (see Appendix 4);

(k) Executive agree that the Director of Finance be authorised to report any further changes directly to Council on 25th February 2019.

2.2 Council Tax 2019/20 – 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:

	2018/19 £	2019/20 £	Increase £	Increase % (note #)
Bromley (general)	1,094.18	1,128.80	34.62	2.99
Bromley (ASC precept)	64.30	87.46	23.16	2.00
Bromley (total)	1,158.48	1,216.26	57.78	4.99
GLA *	294.23	320.51	26.28	8.93
Total	1,452.71	1,536.77	84.06	5.79

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

(#) in line with the 2019/20 Council Tax Referendum Principles, the % increase applied is based on an authority's "relevant basic amount of Council Tax" (£1,158.48 for Bromley) – see paragraph 6 below. Any further changes arising from these Principles will be reported directly to Council on 25th February 2019.

2.3 The Executive is requested to recommend to Council to formally resolve as follows:

- 1. It be noted that the Council Tax Base for 2019/20 is 131,428 'Band D' equivalent properties.**
- 2. Calculate that the Council Tax requirement for the Council's own purposes for 2019/2020 is £159,851k.**
- 3. That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):**
 - (a) £531,584k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.**
 - (b) £371,733k being the aggregate of the amounts which the Council estimates or the items set out in Section 31A(3) of the Act.**
 - (c) £159,851k 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) £1,216.26 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).**
- 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 2019/20 for each part of its area and for each of the categories of dwellings.**

Valuation Bands	London Borough of Bromley £	Greater London Authority £	Aggregate of Council Tax Requirements £
A	810.84	213.67	1,024.51
B	945.98	249.29	1,195.27
C	1,081.12	284.90	1,366.02
D	1,216.26	320.51	1,536.77
E	1,486.54	391.73	1,878.27
F	1,756.82	462.96	2,219.78
G	2,027.10	534.18	2,561.28
H	2,432.52	641.02	3,073.54

6. That the Council hereby determines that its relevant basic amount of council tax for the financial year 2019/20, which reflects a 4.99% increase (including Adult Social Care Precept of 2%), is not excessive. The Referendums Relating to Council Tax Increases (Principles) (England) Report 2019/20 sets out the principles which the Secretary of State has determined will apply to local authorities in England in 2019/20. Any further changes arising from these Principles will be reported directly to Council on 25th February 2019. 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.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Recurring Cost: See attached report
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £159.85m Draft 2019/20 budget (excluding GLA report)
 5. Source of funding: See attached report - appendix 2
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Personnel

1. Number of staff (current and additional): Full details will be available with the Council's 2019/20 Financial Control Budget to be published in March 2019
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972, the Local Government and Finance Act 1998, the Local Government Act 2000, the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Not Applicable: A decision by full Council cannot be called in
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Procurement

1. Summary of Procurement Implications: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2019/20 budget reflects the financial impact of the Council's strategies, service plans etc which impact on all of the Council's customers, including council tax payers) and users of services.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

Non-Applicable Sections:	See attached report
Background Documents: (Access via Contact Officer)	See attached report