

## **EXECUTIVE**

Minutes of the meeting held on 14 February 2011 starting at 7.00 pm

### **Present:**

Councillor Stephen Carr (Chairman)  
Councillors Graham Arthur, Julian Benington,  
Peter Morgan, Ernest Noad, Neil Reddin and Colin Smith

### **Also Present:**

Councillor Douglas Auld, Councillor Nicholas Bennett J.P.,  
Councillor Eric Bosshard, Councillor John Carvin,  
Councillor Robert Evans, Councillor Peter Fookes,  
Councillor Brian Humphrys, Councillor William Huntington-  
Thresher, Councillor Mrs Anne Manning and Councillor  
Alexa Michael

## **RECOMMENDATIONS FOR CONSIDERATION BY COUNCIL**

### **1. 2011/2012 COUNCIL TAX**

Report DR110015

The Executive considered the final issues affecting the 2011/12 revenue budget and the recommendations it would be making to Council on the level of the Bromley element of the 2011/12 Council Tax. Members were informed that confirmation of the final GLA precept, which impacted on overall Council Tax levels, was still awaited. In addition details of some grants had yet to be finalised and this included certain Community Safety funding, which it now appeared would be going to the Mayor of London to allocate. Final details on all the outstanding matters would be reported direct to the Council meeting on the 28<sup>th</sup> February 2011. The report of the Director of Resources also sought final approval of the "schools budget" and gave the latest indication of an indicative budget for 2012/13 as well as identifying financial pressures for 2013/14 to 2014/15.

As background the Executive was reminded that updates on the financial strategy 2011/12 to 2014/15 and the budget process had been reported to the July 2010 meeting, with further updates submitted in September and December 2010 and January 2011. PDS Committees had been involved at each stage of the process and their views on the last report and the proposed reductions (Minute 145 – 12.01.11 refers) had been circulated with the agenda. The Chairman drew attention to the series of four public meetings

had been held during November and December last year and that comments from those meetings had also been circulated. At the January Executive meeting a list of budget options had been published for consultation. It was reported that a wide range of comments had been received covering various subjects. The three main areas were – School Crossing Patrols; Libraries and Park Ranger Service but comments were also made on effectiveness and efficiencies, shared services and a number of other areas. Three petitions had also been received – 2 on School Crossing Patrols and 1 on Children & Family Centres. The Chief Executive reported on the staff meetings and discussions that he had held and the issues that had been raised including Libraries, CYP services and Family Centres etc. All the comments would be collated together and placed in the Members Room. The Chairman emphasised that consideration would be given to all the comments received but he pointed out that this meeting was primarily considering the setting of a balanced budget and the Council Tax for next year. In respect of Libraries and School Crossing Patrols these were all matters which were being looked at for the following year. The review of the Library Service would be discussed tomorrow by the Renewal and Recreation PDS Committee and was a longer term proposal. However, Bromley had already shown its commitment to the Library Service with the new Libraries at Biggin Hill and Orpington. Councillor Carr also emphasised that the Council was not closing Family Centres in 2011/12 but rather not opening the number originally set by the previous government to prioritise funding for other vulnerable areas.

The Director's report showed that the current overall Council Tax (Band D equivalent) included the "Bromley element" relating to the cost of the Council's services and various levies of £991.31 in 2010/11 and a further sum of £309.82 for the GLA precept (providing a total Band D equivalent Council Tax of £1,301,13). Further options had been identified to balance the budget as indicated in the table below. The 2011/12 draft budget would enable a Council Tax freeze and make available at least £557,000 that could be utilised in the final stages of the decision making process. It was based on the assumption that the "schools budget" would continue to be set at the level of Dedicated Schools Grant, as detailed in the report. A summary analysis of key variations in the draft Budget, compared with the 2010/11 Budget is set out below:

<b>DRAFT BUDGET 2011/12 COMPARED WITH 2010/11</b>	<b>2011/12 £000</b>
<b>Bromley's Budget Requirement in 2010/11 (before funding from Formula Grant)</b>	<b>213,754</b>
Inflation to outturn budget 2011/12 (including full year effect of 2010/11 contingency)	6,475
Area Based Grant	-16,936
Formula Grant (excludes specific grant subsumed within Formula Grant)	-65,148
<b>Draft "standstill" budget before use of balances</b>	<b>138,145</b>
Loss of Government Grant against budgeted and assumed amounts	14,345
Variations in interest earnings/capital financing	232
Real changes and other variations (see Appendix 3A)	5,006
<b>Sub total (real increase in costs)</b>	<b>19,583</b>
<b>Savings reported to previous meeting of Executive</b>	<b>-15,919</b>
<b>Council Tax Grant (assuming Council Tax freeze)</b>	<b>-3,300</b>
<b>Total reported to January meeting of Executive</b>	<b>138,509</b>
<b>Changes since last meeting of Executive</b>	
Impact of potential extension of funding pensions deficit from 9 years to 12 years	-3,400
Fall out of provision set aside for capital works/one off initiatives	-1,000
NHS funding towards social care volume/cost pressures	-1,000
Reduction in funding for volume/cost pressures following review by Chief Officers	-780
Provision for potential costs pressures not included in budget at this stage	500
Potential savings following a review of key contracts	-250
Review of central departments	-150
Reduction in provision for recession costs	-100
Potential New Homes Bonus Funding (awaiting final outcome)	-750
Other changes	30
<b>Sub total (Changes since last meeting of Executive)</b>	<b>-6,899</b>
<b>Bromley's Draft Budget Requirement in 2011/12 (excluding GLA precept)</b>	<b>131,609</b>
Surplus funding available on basis of Council Tax freeze	<b>--557</b>
Estimated "Bromley element" % Council Tax increase	<b>0%</b>

The Government had made available grant to enable councils whose budgets would otherwise have required Council Tax increases of up to 2.5% to freeze the Council Tax. Members were informed that this would equate to £3.3.m for Bromley which had been utilised in the budget figures above. Funding for the Council Tax freeze had been formally guaranteed for 2011/12 and 2012/13 and there were indications it would continue for a further two years.

As previously reported to the January meeting further savings options had been identified in 2011/12. The Chairman commented that members had listened to views expressed and one area that had been proposed for a

reduction was the Volunteer Child Protection scheme and he was glad to report that funding to keep this service running at the same level would be identified. He also referred to the reduction in the London Boroughs Grants levy paid by Bromley which monies would be used locally to provide support to the Voluntary Sector in recognition of the important work they did. Concerns had been raised by members in respect of the proposal to reduce one post in the Planning Enforcement Section and the Chairman advised that in the light of this an adjustment had been made and it was anticipated that that the post would be retained. However, the scale of reductions in Government funding as well as on going cost pressures meant the Council, along with all other local authorities, was facing very difficult decisions in balancing its budget. If the proposals were changed then alternative savings would need to be found from other sources.

Councillor Getgood reiterated the views he had expressed previously that he did not feel the right balance had been struck and that the more vulnerable and needy would suffer. He suggested where certain reductions could be made and that there was still time to think again to share the burden more fairly. Councillor Fookes also spoke along similar lines and felt the Council was storing up trouble for itself in the future. The Portfolio Holders responded to the various comments and explained the reasons for the approach being taken including highlighting some of the successes there had been in reducing contract costs to utilise elsewhere. Although reductions had been made there were areas where more positive actions were being taken with invest to save projects in the Borough.

The Executive noted the request from Councillor Michael not to reduce the number of Plans Sub-Committees from 4 to 3 and her reasons for this. However, she stated that she was in agreement with the proposal to reduce the number of Development Control Committee meetings from 9 to 6.

Amended recommendations (together with a revised Appendix 1B) were tabled at the meeting and the Chairman drew attention to the changes particularly the provision in (d) for finding alternative savings; (g) where discussions would be held with the leaders of the other Parties over savings on Members Allowances which would again be frozen this year; and (m) which would explore options to repay the reserves being used to supplement severance costs. Having discussed the revised proposals the Executive agreed:

**To RECOMMEND Council to -**

- (a) approve the schools budget of £205.988 million which matches the estimated level of Dedicated Schools Grant (DSG);**
- (b) approve the draft revenue 2011/12 Budget and the additional savings for 2011/12 and 2012/13, included in the report to the Executive, with the following amendments:**

**i) that a sum of £275,000 be set aside to provide support to the voluntary sector within Bromley to reduce the impact in the overall reduction in funding from London Borough Grants Committee; and**

**ii) transfers the balance of monies available within the budget (£282,000) to the provision for risk/service pressures;**

- (c) approve the draft revenue budgets (as revised in Appendix 1A & 1B attached) for 2011/12 but instructs officers to undertake further work prior to the Council meeting on 28 February to establish whether the pension deficit recovery period can be extended to 15 years;**
- (d) agree that the Executive identify alternative savings within the Portfolio budgets where it is not possible to realise any proposed savings reported to the February meeting of the Executive;**
- (e) approve the following provisions for levies for inclusion in the budget for 2011/12:**

	<b>£'000</b>
<b>London Pension Fund Authority</b>	<b>455</b>
<b>London Boroughs Grant Committee</b>	<b>530</b>
<b>Environment Agency (Flood defence etc)</b>	<b>218</b>
<b>Lee Valley Regional Park</b>	<b>405</b>
<b>Total</b>	<b>1,608</b>

- (f) approve a central contingency sum of £8,077,000 to reflect the changes in (b) and (e) above;**
- (g) review the local democracy savings, particularly where they would have a negative impact on democratic responsibilities;**
- (h) set a nil variation in Bromley's council tax for 2011/12, compared with 2010/11, and, based upon their consultation exercise, an assumed nil variation in the GLA precept as follows (N.B. GLA precept figure may need to be amended once the actual GLA budget is set, although it is expected to remain unchanged):**

<b>Property</b>	<b>Indicative split of Council Tax</b>		<b>Council Tax</b>
	<b>Bromley</b>	<b>GLA</b>	
	<b>£.p</b>	<b>£.p</b>	
<b>Band 'A'</b>	<b>660.87</b>	<b>206.55</b>	<b>867.42</b>
<b>Band 'B'</b>	<b>771.02</b>	<b>240.97</b>	<b>1,011.99</b>
<b>Band 'C'</b>	<b>881.16</b>	<b>275.40</b>	<b>1,156.56</b>
<b>Band 'D'</b>	<b>991.31</b>	<b>309.82</b>	<b>1,301.13</b>
<b>Band 'E'</b>	<b>1,211.60</b>	<b>378.67</b>	<b>1,590.27</b>
<b>Band 'F'</b>	<b>1,431.89</b>	<b>447.52</b>	<b>1,879.41</b>
<b>Band 'G'</b>	<b>1,652.18</b>	<b>516.37</b>	<b>2,168.55</b>
<b>Band 'H'</b>	<b>1,982.62</b>	<b>619.64</b>	<b>2,602.26</b>

- (i) notes the latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council;
- (j) approve the approach to reserves outlined by the Director of Resources (see Appendix 4 of 2011/12 Council Tax report to Executive);
- (k) notes that the Director of Resources will report any further changes directly to Council on 28th February 2011;
- (l) agree that a sum of £3.5million be set aside from balances in 2011/12, with further potential estimated requirements of £2million in 2012/13, to meet potential severance costs which will enable the achievement of significant long term savings detailed in the 2011/12 Council Tax report; and
- (m) agree that officers explore longer term options for funding severance costs within the Council's revenue budget.

Stephen Carr

Chairman