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General Purposes Committee

Tuesday 22 January 2013 at 7.00 pm
Committee Room 4, Brent Town Hall, Forty Lane, Wembley, HA9 9HD

Membership:

Members Councillors:	**first alternates** Councillors:	**second alternates** Councillors:
Butt (Chair)	A Choudry	Krupa Sheth
R Moher (Vice-Chair)	Jones	Kabir
Beswick	Arnold	Mrs Bacchus
Brown	Beck	Matthews
Cheese	Sneddon	Green
Hirani	Van Kalwala	Aden
Kansagra	Colwill	BM Patel
Long	Al-Ebadi	Naheerathan
Lorber	Hopkins	Hunter
J Moher	Chohan	S Choudhary

For further information contact: Bryony Gibbs, Democratic Services Officer
020 8937 1355, bryony.gibbs@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit:
www.brent.gov.uk/committees

The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members

This report sets out the calculation of the estimated income from National Non Domestic Rates (NNDR), also known as Business Rates, to be used for 2013/14. This figure is used in the calculation of the council tax for 2013/14. Regulations require that the calculation is agreed by 31st January prior to the start of the financial year. This is a new requirement under the Local Government Finance Act 2012.

Wards Affected:	***Contact Officer:*** Mick Bowden, Deputy Director of Finance
All Wards	Tel: 020 8937 1460
	mick.bowden@brent.gov.uk

This report sets out council tax base calculations to be used for 2013/14. The level of council tax base set is used in the calculation of the council tax for 2013/14. Regulations require that the council tax base is set by 31st January prior to the start of the financial year.

Wards Affected:	***Contact Officer:*** Mick Bowden, Deputy Director of Finance
All Wards	Tel: 020 8937 1460
	mick.bowden@brent.gov.uk

7 Proposed Changes to the Disciplinary Procedure 19 - 24

At its meeting on 13 September 2012, the General Purposes Committee considered a recommendation to update the Council's Disciplinary Policy to provide that appeals against dismissal for Gross Misconduct should be heard by a senior officer and not a member Committee. The trade unions requested that this decision be tabled as an item at the Employees' Joint Consultative Committee (JCC) for discussion. As a result of that meeting, the JCC requested that the General Purposes Committee consider the representations that were made to it by the unions and this report sets out the issues raised at that meeting for members' further consideration.

Wards Affected:

***Contact Officer**:* Cara Davani, People and Development

Tel: 020 8937 1909

cara.davani@brent.gov.uk

8 Appointments to Sub-Committees / Outside Bodies

9 Any Other Urgent Business

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.

Please remember to ***SWITCH OFF*** your mobile phone during the meeting.

- The meeting room is accessible by lift and seats will be provided for members of the public.
- Toilets are available on the second floor.
- Catering facilities can be found on the first floor near The Paul Daisley Hall.
- A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

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LONDON BOROUGH OF BRENT

MINUTES OF THE GENERAL PURPOSES COMMITTEE
Tuesday 27 November 2012 at 7.00 pm

PRESENT: Councillor Butt (Chair), Councillor and Councillors Beswick, Hirani, Kansagra and Long

Apologies for absence were received from: Councillors R Moher, Brown, Cheese, Lorber and J Moher

1. **Declarations of pecuniary interests**

   None made.

2. **Minutes of the previous meeting**

   RESOLVED:-

   that the minutes of the previous meeting held on 13 September 2012 be approved as an accurate record of the meeting.

3. **Matters arising**

   None.

4. **Restructure of Services to Schools**

   The report from the Director of Children and Families set out arrangements for the restructuring of services supporting school improvement in the Children and Families Department. Sara Williams (Interim Assistant Director, Early Help and Education) advised that the arrangements were prompted by a budget reductions and also reduction in funding from the dedicated schools grant. It was currently expected that there would be 17.5 staff redundancies out of the 27.5 posts to be deleted. Discussions had been taking place for some time with staff and trade unions and formal consultation was due to end in the following week. On the loss of the Traveller Education Service, while schools were able to carry out some work in the classroom, efforts would be made to identify funding for the traveller liaison post to maintain direct contact with families on traveller sites particularly in view of imminent changes to housing benefits.

   It was clarified that a number of staff had opted for voluntary redundancy, reducing the need for compulsory redundancies and noted that the Education Welfare Service would be relocated elsewhere within Children and Families Department and be part of a later staffing reorganisation.

RESOLVED:-

that the agreement be given to the restructuring of the Services to Schools team in Children and Families to form a new School Improvement Service.

5. **Managing Capability Policy and Procedure**

The report from the Interim Director of Human Resources provided details of the proposed Managing Capability Policy and Procedure. Cara Davani (Interim Director of Human Resources) advised that this was the latest in a series of re-written policies, updated to involve less formal processes and allow a more straightforward organisational management. It allowed for formal resolution to be proceeded by informal management action and was less specific about timescales so that action could be taken more quickly or slower as appropriate. Andy Potts (Legal) confirmed that the proposals complied with the ACAS codes.

Members questioned whether managers would receive training in the new arrangements and were advised that practice would be rolled out in a structure fashion from January 2013 as part of the corporate development programme.

RESOLVED:-

(i) that approval be given to the draft capability policy and procedure with effect from 1st January 2013;

(ii) that the Assistant Director Human Resources (or Deputy) in consultation with the Director of Legal and Procurement (or Deputy) and then consultation with the relevant trade unions, to make other such changes as may be necessary from time to time to all HR policies and procedures.

6. **Grievance Policy and Procedure**

Cara Davani (Interim Director of Human Resources) introduced the report which detailed the proposed Grievance Policy and Procedure, designed to replace the current Fairness at Work Policy and Procedure and included a collective Grievance Policy.

RESOLVED:-

(I) that the draft Grievance Policy and Procedure be agreed with effect 1 January 2013;

(ii) that the Assistant Director, Human Resources (or Deputy), in consultation with the Director of Legal and Procurement (or Deputy) and then consultation with the relevant trade unions, be authorised to make such other changes as may be necessary from time to time to all HR Policies and Procedures.

7. **Appointments to Sub-Committees / Outside Bodies**

None.

8. **Any other urgent business**

None.

The meeting closed at 7.15 pm

M BUTT
Chair

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BRENT COUNCIL	General Purposes Committee 22nd January 2013 Report from the Deputy Director of Finance
For Action	Wards Affected: ALL
Calculation of Business Rates Income 2013/14	

1. Summary

1.1 This report sets out the calculation of the estimated income from National Non Domestic Rates (NNDR), also known as Business Rates, to be used for 2013/14. This figure is used in the calculation of the council tax for 2013/14. Regulations require that the calculation is agreed by 31st January prior to the start of the financial year. This is a new requirement under the Local Government Finance Act 2012 – previously all business rates income was passed over to central government and then redistributed to local government. From 2013/14 local authorities will keep a share of income raised.

2. Recommendations

To agree that the estimated income from NNDR (net rate yield) for 2013/14 be set at £106,307,048. Brent will retain 30% of this figure, equalling £31,892,114 (with 50% being paid to central government and 20% to the Greater London Authority.

3. Detail

3.1. Background

3.1.1. The Local Government Finance Act 2012 entails major changes to the funding of local government, one of the most important being the introduction of local Business Rates retention. Previously all business rates collected have been paid over to central government, in the form of the national NNDR pool. The government then redistributed the nationally collected amount to local authorities according to a very complicated formula for spending need. From 2013/14 this system has been changed, with 50% of the income raised still being paid to central government and then redistributed to local authorities, but with the other 50% being retained locally. In the case of London, the

Greater London Authority (GLA) receives 20%, leaving London boroughs with the remaining 30%.

3.1.2. The Department for Communities and Local Government (DCLG) has calculated a baseline figure as the starting point for the estimate of NNDR income to be raised by each local authority in 2013/14. This is based on proportionate shares of the estimated national income raised from NNDR in 2013/14 based on actual figures for 2010/11 and 2011/12. On this calculation Brent accounts for 0.468% of the national total. This equates to a total figure for Brent of £102.078m, of which Brent keeps £30.623m. However because Brent used to receive far from the pool than it paid in, it will receive a “top-up” payment of £46.534m, to bring it back to the position it would have been had the changes not been introduced.

3.1.3. The “baseline” figure of £30.623m (being Brent’s 30% share) is then fixed for future years, with the top-up payment being increased by RPI each year. If there is a growth in the total business rates income then Brent will keep 30% of any growth. However if there is a decline, Brent will need to find 30% of the shortfall. The 30% relates to the total estimated income of £102.078m.

3.1.4. The estimate for the actual income figure (or net rate yield) for 2013/14 is based on a return to the DCLG called the NNDR1. This has to be finalised by 31 January, and calculates the amounts to be paid to central government and to the GLA during the course of the year, as well as the figure to be used as part of Brent’s budget setting process.

3.1.5. Estimating this figure is extremely difficult, as there are many factors which can significantly affect the overall figure. There are several types of relief such as empty rates relief and charity relief which can change during the year. Estimates need to be made for changes in rateable value from new properties entering rating, or properties being take out of rating. Allowance also needs to be made for revaluations due to appeals against the Valuation Office (VO) determinations. These are very common and can lead to large refunds being backdated several years. Allowance also needs to be made for estimated losses in collection (i.e. non collection levels)

3.1.6. Because there are so many uncertainties, it is inevitable that the final figure at the end of 2013/14 will be different to the estimate. There will be a further calculation required each year (from late 2013/14 onwards) of a surplus or deficit on the NNDR part of the collection fund (as is already done for Council Tax). If the estimate agreed in this report proves too high, and income falls during 2013/14 a deficit will need to be declared, with Brent bearing 30% of the deficit, central government 50% and the GLA 20%. If the final figure is higher than the estimate, then a surplus will be declared with the relative shares being the same as for a deficit.

3.2 Estimating the net rate yield for 2013/14

3.2.1. As mentioned above the figure is based on the NNDR1 return to the DCLG. This is attached as Appendix 1.

3.2.2. The starting point is the aggregate rateable value for Brent as at 30 September 2012. This is a fixed figure based on the VO's valuations for all properties at Brent at that date. This is then multiplied by the multiplier (the rate in the pound charged for that year). This is shown in line 3 of the form - £124.465m.

3.2.3. There are a total of 36 rows before the final estimated rates yield is calculated. Some of these are calculation rows, and several do not apply to Brent (e.g. enterprise zones and rural relief). Some of the rows have relatively small amounts, and some are reasonably predictable as the current figure can be calculated as of now and is unlikely to vary significantly. To avoid over complicating matters, the section below only deals with the rows where figures are more prone to large fluctuations.

3.2.4. The biggest changes will relate to changes in rateable value from new properties or properties being taken out of rating (lines 33 and 34 of the NNDR1 form) and the adjustment relating to valuation appeals (line 35). The other main areas are empty rate relief (line 11) and losses in collection (line 21) These are dealt with in turn below

3.3. **Changes in total rateable value**

3.3.1. This is shown on lines 33 and 34 of the form (rate retention adjustments). This figure relates to changes anticipated from the total rateable valuation as at 30 September 2012 over the 12 months to September 2013 from new or deleted properties. This is very difficult to predict because it is not possible to accurately assess the valuations the VO will give to new properties, or how long it will take the VO to give a valuation. Therefore the figure used can only be an estimate.

3.3.2. Fortunately, three large new properties came in to rating shortly after 30 September (one hotel and two warehouses) with a total RV of over £3.5m. These can therefore be taken in to account. Allowance has also been made for the new Civic Centre as well as for some of the new units due to open nearby, as well as some properties coming out of rating (e.g. the Town Hall which will not be in rating for much of 2013/14). The overall estimate (line 33) is for an increase in RV of £7.49m which equates to rates income of £3.46m (line 34)

3.4. **Adjustments due to appeals**

3.4.1. This is shown on line 35 of the NNDR1 form. There are currently 1,196 appeals outstanding against the 2010 VO valuations. Many of these will be unsuccessful or lead to small reductions, and many will not be settled until after the 2013/14 year. However there are always some very large reductions and these will be backdated in most cases to April 2010, so the figure for the year will be very large. The DCLG has recommended that a figure of 5% be used unless better information is available, and it has used the 5% in it's calculations of authorities baseline figures. The 5% gives a figure roughly in line with the average in Brent for the last few years, so this figure has been used, equating to a reduction in rate yield of £5.965m.

3.5. **Empty rate relief**

3.5.1. There are various types of empty rate relief, which reduce the net rate yield. The figure will vary, partly due to economic conditions (e.g. properties owned by companies entering liquidation receive 100% relief). The figure used in line 11 is the average for 2011/12 and 2012/13 uprated for the annual RPI increase. This gives a figure of £4.606m

3.6. **Losses in collection**

3.6.1**.** This relates to amounts which are considered irrecoverable, and which will need to be written off. The figure of £2.1m used in line 21 is based on the average figure over recent years.

3.7. Final estimate and effect on Brent's budget

3.7.1. Using the figures outlined above, gives a final estimated rate yield for Brent for 2013/14 of £106,307,048 (line 36). Brent's 30% share of this is £31,892,114 (as shown in the NNDR summary at the end of the form). This is the figure which will be used in the overall budget calculation.

3.7.2. This figure exceeds the government baseline figure of £30.623m by £1.285m. This is therefore Brent's share of the growth in rates yield estimated for the next year. This is largely due to the effect of new properties recently entering rating or anticipated to do so over the next year (such as the Civic Centre). There is no real advantage in over or under estimating this figure, as there will be a need to declare a surplus or deficit at this stage next year.

4 Financial Implications

4.1 These are included in the detail above

5. Legal Implications

5.1. Section 5 and Schedule 3 to the Local Government Finance Act 2012 make amendments to the Local Government Act 1988 and they will effectively introduce a new system of Business Rates retention whereby local authorities share in any growth or contraction in the net rate yield for their authority. The aim of the change is to incentivise local authorities to seek to increase the rates yield of their area (e.g. by encouraging business expansion).

5.2. Under the changes, central government will retain 50% of the income (previously it received 100%). IN London the GLA receives 20%, and the boroughs the remaining 30%. Some boroughs (tariff boroughs where income exceeds the previous share received from the national pool) will have limits on the income they can retain, but for top-up boroughs including Brent there is no limit. Therefore Brent will retain 30% of any business rates growth, but will also have to bear 30% of any reduction.

5.3. Under draft regulations entitled Tthe Non Domestic Rating (Rates Retention) Regulations 2013 authorities will be required to estimate the net yield (i.e. business rates income) for their authority for the following year, by January 31st of each year, commencing January 2013. This estimate will be used to calculate the shares of income to be paid to central government and in London to the Greater London Authority, as well as the share to be retained by the local authority itself. The latter figure then feeds in to the overall budget for the Council, and the calculation of the Council Tax to be charged to local taxpayers. These draft regulations are currently not in force at the time of the drafting of this report. These draft regulations have been laid before Parliament under the Secretary of State's powers to make regulations regarding non domestic rates retention under the Local Government Finance Act 1988, and they are likely to be passed by both Houses of Parliament before the end of January 2013.

6. Diversity Implications

6.1. The proposals in this report have been subject to screening and officers advise Members that there are no diversity or public sector equality duty implications arising from the proposals in this report.

7. Staffing Implications

7.1. None arising directly from this report.

8. Background Information

Local Government Finance Act 2012

The Non Domestic Rating (Rates Retention) Regulations 2013.

NNDR draft billing list for 2013/14.

Anyone wishing to inspect the above documents should contact David Huberman, Finance Manager, Brent Financial Services, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Telephone 0208-937-1478.

MICK BOWDEN

Deputy Director of Finance

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Department for Communities and Local Government

NATIONAL NON-DOMESTIC RATES RETURN 1
NNDR1 2013-14

Please e-mail to : nndr.statistics@communities.gsi.gov.uk

Please enter your details after checking that you have selected the correct authority name.

Please check the figures shown in the cells with a blue border and enter your own figures if you disagree with those suggested.

A provisional version of the form should be returned to the Department for Communities and Local Government by
Monday 7 January 2013

The final version of this form, including a signed copy, must also be sent to the Department for Communities and Local Government by
Thursday 31 January 2013

Select your local authority's name from this list: Bournemouth / Bracknell Forest / Bradford / Braintree / Breckland / Brent

Check that this is your authority :	Brent
Check that this is your E Code :	E5033
Local authority contact name :	DAVID HUBERMAN
Telephone number of local authority contact :	0208-937-1478
Fax number for local authority contact :	
E-mail address of local authority contact :	david.huberman@brent.gov.uk

Ver 1.3

1. Number of hereditaments on the rating list on 30 September 2012		8,289	
		£	
2. Aggregate rateable value on the rating list on 30 September 2012		269,405,465	
GROSS CALCULATED RATE YIELD			£
3. Enter line 2 x small business non-domestic rating multiplier (0.462)			124,465,324.83
MANDATORY RELIEFS			
Small business rate relief	£		
4. Additional yield generated to finance the small business rate relief scheme	1,953,764.77		
5. Cost of small business rate relief for properties within billing authority area	3,647,234.93		
6. Net cost of the small business rate relief (Line 5 minus Line 4)		1,693,470.16	
7. Cost of relief to charities		6,658,752.17	
8. Cost of relief to Community Amateur Sports Clubs		24,360.12	
9. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops		0.00	
10. Cost of relief for partly occupied premises		0.00	
11. Cost of relief for empty premises		4,606,884.00	
12. Total mandatory reliefs (Sum of lines 6 to 11)			12,983,466.45
DISCRETIONARY RELIEFS			
13. Cost of relief to charities		443,976.09	
14. Cost of relief to non-profit making bodies		76,748.15	
15. Cost of relief to Community Amateur Sports Clubs		2,406.81	
16. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops		0.00	
17. Cost of relief to other rural businesses		0.00	
18. Other Section 47 reliefs (Localism Act discounts)		0.00	
19. Total discretionary reliefs (Sum of lines 13 to 18)			523,131.05
20. Gross Rate Yield after reliefs (Line 3 minus lines 12 & 19)			110,958,727.33
21. Estimate of 'losses in collection'			2,100,000.00
22. Allowance for Cost of Collection			416,951.36
23. Special Authority Deductions - City of London Offset			0.00

NATIONAL NON-DOMESTIC RATES RETURN 1 2013-14 — Brent

Ver 1.3

Section 2

Enterprise Zones

		£
24. Estimated level of discount to be awarded in 2013-14		0.00
25. Estimated value of non-domestic rates in the Enterprise Zone area in 2013-14	0.00	
26. Enterprise Zone baseline	0.00	
27. Total estimated value of business rates to be retained in 2013-14 (Line 25 minus line 26)		0.00
New Development Deals		
28. Estimated value of non-domestic rates in the New Development Deals area in 2013-14	0.00	
29. New Development Deals baseline	0.00	
30. Total estimated value of business rates to be retained in 2013-14 (Line 28 minus line 29)		0.00
Renewable Energy Schemes		
31. Total estimated value of business rates to be retained in 2013-14		0.00
32. Net Rate Yield excluding transitional arrangements and rate retention (Line 20 minus the sum of lines 21 to 23, 27, 30 & 31)		108,441,775.97
Rate retention adjustments		
33. Estimate of the change in rateable value between 1 October 2012 and 30 September 2013		7,490,000.00
34. Estimate of the change in receipts as a result in the change in rateable value (line 33 times the multiplier)		3,460,380.00
	%	
This equates to a percentage change of	2.78	
35. Local authority's estimate of adjustment due to appeals		5,595,107.80
36. Net Rate Yield excluding transitional arrangements but after rate retention adjustments (Line 32 plus lines 34 and minus line 35)		106,307,048.00

Section 3

Transitional arrangements

37. Addition revenue received because reduction in rates have been deferred	154,150.30	
38. Revenue foregone because increase in rates have been deferred	443,801.62	
39. Net cost of transitional arrangements (Line 38 minus line 37)		289,651.32
40. Net Rate Yield after transitional arrangements and rate retention (Line 36 minus line 39)		106,017,397.00

NNDR Summary for : Brent

These figures show the percentage shares of the NNDR you estimate your authority will collect in 2013-14. They are based on line 36. See the *Tier Split* tab for full information

	£
Amount of NNDR to be paid to central government	53,153,524.00
Amount to be retained by Brent under the rates retention scheme	31,892,114.00
Amount to be passed to Greater London Authority	21,261,410.00

Certificate of Chief Financial Officer

I certify that the entries in lines 3, 12, 19, 20, 36, 39 and 40 of this form are the best I can make on the information available to me and that the figures given in lines 1 and 2 used in the calculating the amount shown in lines 36 and 40 are, to the best of my knowledge and belief those shown in the rating list for my authority as at 30 September 2012, subject to any order made before 15 January 2013 under the Local Government Act 1972 implementing boundary changes. I also certify that the authority has made proper arrangements for securing efficiency and effectiveness in relation to the collection of non-domestic rates. I also certify to the best of my knowledge and belief that any amount included as legal costs in line 22 and discretionary relief in line 24 meet the conditions set out in the Non-Domestic Rating (Rates Retention) Regulations 2013.

Chief Financial Officer : ....

Date : ....

Ver 1.3

Agenda Item 6

General Purposes Committee
22nd January 2013

Report from the Deputy Director of Finance

For Action

Wards Affected:
ALL

Calculation of Council Tax Base 2013/14

1. Summary

1.1 This report sets out council tax base calculations to be used for 2013/14. The level of council tax base set is used in the calculation of the council tax for 2013/14. Regulations require that the council tax base is set by 31st January prior to the start of the financial year.

2. Recommendations

2.1 To agree that:

(i) The collection rate for the council tax for 2013/14 is set at 96.0%.

(ii) In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, the amount calculated by the council as its council tax base for 2013/14 is set at **77,191.**

3. Detail

3.1. Background

3.1.1. The calculation of the tax base is one of the main stages in the process of setting the council tax, which is scheduled for the Council Meeting on 25 February 2013. Under regulations issued in 1992, the calculation must be carried out by 31st January prior to the start of the financial year

3.1.2. The calculation is initially based on the council tax base return submitted to the Department of Communities and Local Government in October 2012, which is used in Government grant calculations. For 2013/14 the tax base used in grant calculations is 101,875 Band D equivalent properties. From 2013/14 onwards this figure needs to be adjusted to take account of changes introduced in the 2012 Local Government Finance Act.

3.1.3. Under this Act, the previous scheme of Council Tax Benefit (CTB) has been replaced by a new localised Council Tax Support Scheme. Under CTB, local authorities basically received 100% subsidy on the actual cost of CTB granted. However under Council Tax Support the government will be giving a fixed annual grant which is designed to cover 90% of the previous cost of CTB (i.e. imposing a 10% cut in government subsidy) with local authorities designing their own local scheme. The result of this is that local authorities will have to fund this reduction (together with any further increases resulting from increases in the level of Council Tax, or from caseload changes) either from charging a proportion of Council Tax to previous recipients (excluding pensioners) or from cuts in other services, or a combination of both.

3.1.4. At the same time, authorities have been given the power to reduce or remove exemptions from Council Tax for uninhabitable or empty homes which previously received an automatic 100% exemption (for the first 12 months and 6 months respectively). Authorities can now also charge a 50% premium for long term empty unfurnished properties after two years. The previous minimum 10% discount for long term empty furnished homes can now also be removed. The additional revenue raised can be used to partly meet the reduction in central government funding.

3.1.5. Members agreed the new Council Tax Support scheme, and the changes to exemptions at the Special Council meeting on 10th December 2012. The effect of these decisions have to be applied to the tax base figure of 101,875 as per the return to the DCLG. The value of Council Tax Support to be granted for each band has to be converted in to full case equivalents and then deducted from the tax base figure. The reductions in exemptions have to be added back to the figure. The overall effect of this is to give an estimated adjusted tax base figure of 80,408.

3.1.6. This assumes 100% collection of council tax. In practice, councils collect less than 100% principally due to non-collection of council tax and changes in debits during the year. The council tax base set by the council takes account of likely collection rates, based on what is expected to be collected eventually, not just by the end of the financial year in question. Making an assumption for 2013/14 is made more complicated by the fact that over 22,000 households who have been receiving part or full CTB will now be required to pay amounts of Council Tax which they previously received benefit for. It is inevitable that this will have an adverse effect on the overall collection rate, but as there is no history of collection data to examine, for the first year at least a large element of assumption will have to be made as to the likely recovery levels.

3.1.7. Any adjustment to the tax base figure will have an effect on the precept from the GLA (i.e. if the tax base figure increases, then the precept from the GLA would increase accordingly – currently the GLA precept accounts for 22.6% of the total council tax bills in Brent).

3.2. Council Tax Collection Rate

3.2.1 Since 2001/02 the council's collection rate has been set at 97.5% as an assessment of the amount to be collected for the relevant year. For some years there is still a way to go to reach 97.5% (e.g. council tax collected by the end of November 2012 in respect of 2006/07 is 95.6%, 2007/08 is 96.8%, 2008/09 is 97.3%, 2009/10 is 98.0% 2010/11 is 98.1% and 2011/12 is 98.7%). Therefore up to 2008/09 the collection is still short of the 97.5% requirement. These percentages relate to the gross collectable debit used for the budget requirement. (i.e. before allowing for the losses in collection allowance). This is not the same as the collection percentage measured against the net collectable debit (as in 3.2.2. below), as this is affected by new assessments, exemptions discounts and Council Tax Benefit. The figures in recent years have been boosted by a large number of properties having come in to rating after the tax base figure for the year was calculated, thereby increasing the collectable figure. This has been repeated in 2012/13, but it cannot be assumed that this will be repeated in future years.

3.2.2 In-year collection levels have improved in recent years from 93.2% in 2006/07 to 94.6% in 2007/08, 94.7% in 2008/09 95.0% in 09/10, 95.6% in 10/11 and 96.0% in 2011/12.

By the end of November 2012, 76.0% of 2012/13 council tax had been collected, which is very similar to the equivalent figure of 75.8% at November 2011.

3.2.3 Therefore without the changes resulting from the recent Local Government Finance Bill, it would have been reasonable to assume a collection rate of 97.5%. However, as mentioned in 3.1.5. above, allowance now has to be made for the likely much higher non-collection rate from households formerly receiving CTB who will now have to pay part (or more) of their Council Tax bill. Although this will only account for about 5% of the overall Council Tax debit, an eventual collection of 70% for this group would bring the overall collection level down to 96.0%. Collection of 60% would bring the overall rate down to 95.45%, whilst a 75% recovery would bring the overall level to 96.3%

3.2.4 If an over-optimistic assumption of the achievable collection rate is made, at some later stage a deficit in the Collection Fund will have to be declared, resulting in the need to increase the level of Council Tax in that year. Alternatively if the assumed collection rate is exceeded, a surplus could be declared later on. For 2013/14 is considered prudent to assume a 70% collection rate for former CTB recipients, giving an overall eventual collection level of 96.0%. The Council's external auditors have paid close attention to collection assumptions in the past, and would be unlikely to accept an over-optimistic assumption for 2013/14.

3.2.5 It is therefore recommended that the Council Tax collection rate be set at 96.0%.

3.3 Setting the Council Tax Base

3.3.1 The tax base for 2013/14 is as follows:

- Band D equivalent properties on the return to the DCLG (attached as Appendix A = 101,875);

  Less

- 22,651 (relating to reductions in bills which will be granted in 2013/14 under the agreed Council Tax Support Scheme

  Plus

  1,183 (relating to additional amounts raised from reducing exemptions for uninhabitable properties to 50%, removing all exemptions for empty properties, and by charging a premium of 50% on long term empties

  multiplied by:

- The estimated rate of collection (96.0%)

3.3.2. This produces the following calculation:

(101,875 - 22,651 + 1,183) X 96.0% = 77,191

4 Financial Implications

4.1 These are included in the detail above

5. Legal Implications

5.1. The Council Tax Base is the equivalent number of Band D dwellings (after taking account of discounts and exemptions) which would raise the same amount of tax as the actual number of liable dwellings in the borough, with their actual spread of bands. The Band D equivalent total is then multiplied by the estimated collection rate for the year, to give the Council Tax Base figure. In the Council Tax calculation process to be undertaken at Full Council on 25th February 2013 this figure will be used to calculate the amount of tax to be levied for a Band D dwelling. The Council Tax level for each valuation band is then calculated by a fixed ratio which each band bears to the Band D figure. The Council's Constitution currently requires that the calculation of the Council Tax Base be carried out by the General Purposes Committee.

5.2 Section 11A of the 1992 Local Government Act enables the Secretary of State to designate by regulations:

(i) Categories of properties in respect of which the discount available in respect of empty properties may be reduced to a percentage of at least 10% (section 11A(3)); and

(ii) categories of properties in respect of which the discount may be reduced to any percentage or eliminated entirely (section 11A(4)).

In the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 the Secretary of State has designated furnished dwellings which are not the sole or main residence of an individual for the purposes of section 11A(3) (except caravan pitches and boat moorings) and unfurnished unoccupied properties for the purposes of section 11A(4).

Sections 11 and 12 of the Local Government Finance Act 2012 give billing authorities the discretion to vary the discounts applicable to specific classes of empty properties, second homes and long term empty properties from 1 April 2013 (as outlined above)

6. Diversity Implications

6.1. The proposals in this report have been subject to screening and officers believe that there are no diversity implications arising from it.

7. Staffing Implications

7.1. None arising directly from this report.

8. Background Papers

Local Government Finance Act 1992.

Local Government Finance Act 2012

The Local Authorities (Calculation of Council Tax Base) Regulations 2012.

Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003

Council Tax Valuation List.

Anyone wishing to inspect the above documents should contact David Huberman, Finance Manager, Brent Financial Services, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Telephone 0208-937-1478.

MICK BOWDEN

Deputy Director of Finance

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BRENT COUNCIL	**General Purposes Committee** 22 January 2013 **Report from Assistant Director of People and Development**
Proposed Changes to the Disciplinary Procedure	

1.0 Summary

The General Purposes Committee at its last meeting took a decision to update the Council's Disciplinary Policy to provide that appeals by staff against dismissal for Gross Misconduct should be heard by a senior officer and not a member Committee. The trade unions requested that this decision be tabled as an item at the Council's JCC for discussion. As a result of that meeting the JCC requested that the GP consider the representations that were made to it by the unions and this report sets out the issues raised at that meeting for members further consideration.

2.0 Recommendations

2.1 Members are asked to note the concerns raised at the Council's Joint Consultative Committee on 26th November 2012 and confirm their decision to amend the Disciplinary Procedure as previously agreed; Alternatively,

2.2 Members are asked to agree a pilot scheme to trial a change to the policy to allow the Assistant Director of People and Development to determine whether an appeal to members should be appropriate on an ad hoc basis.

3.0 Detail

The trade unions objected strongly to the change in policy as agreed by the GP Committee. The arguments put forward by the unions against the change are essentially that the change in appeal venue amounts to an attack on employee rights as statistically appeals to members are more likely to be successful than appeals to senior officers. The unions also felt that appeals to

Directors were inherently unfair to staff as it was considered that Directors would be less likely to overturn a decision of another member of staff than a Committee of elected members.

A compromise position was proposed whereby appeals against dismissal for gross misconduct would be heard by senior officers unless an employee was able to make a case to the Assistant Director of People and Development that it was necessary for a Committee of members to determine the matter. This suggestion is also opposed. The principal reason for the trade unions opposition in this respect is that it essentially concentrates a disproportionate amount of power in the hands of a single officer.

Concerns expressed by members were that given the strength of feeling expressed by the trade unions there was a concerns that industrial relations could be damaged. Also, concern was expressed that there may be human rights issues in removing the appeal to members. A view was expressed that the assertion that appeals to members was not reflective of current practice within other London borough's had not been evidenced.

There was a collective concern shared by officers, members and the trade unions that the appeal process generally took a disproportionate amount of time to conclude.

The Rationale for Change

The Council continually reviews its HR policy framework to ensure that the policies governing the relationship between the Council and its staff represent current HR practice. The law relating to discipline and misconduct was constantly changing as a result of developments in case law as well as legislative changes and it was therefore imperative that the policies which the Council use were regularly reviewed so as to ensure that the decision making framework for dealing with matters of staff discipline accorded with current practice.

Having undertaken such a review the Assistant Director of People and Development proposed the change in policy which the Committee has previously ratified. The main reasons behind the recommendation to change the policy are as follows:

(i) To give greater flexibility and responsiveness to managers to deal with a whole range of proven misconduct and breaches of discipline other than the simple warning and dismissal system.
(ii) To give managers ownership of the dismissal arrangements associated with staff they are responsible for recruiting.
(ii) To streamline the procedural stages of the policy so as to be less repetitive and prescriptive to allow disciplinary process to be dealt with more efficiently and proportionately.
(iii) In order to maintain fairness in the event of a challenge, a record of all investigatory meetings and hearings would be kept and the employee given an opportunity to confirm them as accurate
(iv) The dismissal approval process would require that all dismissal decisions would be signed off by the Assistant Director of People and Development or the Head of People Services.

(v) To retain the Staff Appeal Sub-Committee jurisdiction but which would hear only appeals against dismissals from Assistant Directors and above. Appeals against dismissal for staff below Assistant Director level would be heard by senior officers in the same way as dismissals for all other reasons such as absence, capability and redundancy. The rationale being Members were responsible for the appointment of Assistant Directors and above.

Response to the concerns that have been raised.

A principal concern of members was that there was no evidence to suggest that the member appeal system for disciplinary dismissal was against current pan London practice. Statistics collated by London Councils, in September 2011 are the most recent set of statistics in this area. Last time members considered this matter there was a broad fifty fifty ratio between London Borough's that had a member appeal system and those that did not. The statistics referred to above show that of 32 London Borough's now only 13 have a member appeal process for disciplinary dismissals. Also, of note is that 7 of those 13 Borough's that still had a member appeal process were proposing a review with a view to amending the policy as this Committee has previously agreed. This indicates clearly that the Committee's previous decision was entirely in line with current modern practice.

The concern that Human Rights issues may be involved in removing the appeal to members do not appear to be justified having taken legal advice on the matter. The Human Rights Act does not apply to internal disciplinary proceedings. The threshold at which the Act begins in relation to issues of discipline is only reached when issues of professional regulation are engaged. This means essentially that it is only professional regulators such as the GMC, who have obligations under the Act. Members should also be aware that the proposed change is entirely legal and in line with the ACAS Code in respect of discipline.

The concern over the impact the change would have on industrial relations is an issue which will clearly be a concern to members as it is to officers. Officers work hard to establish and maintain good industrial relations and it is the view of officers that the Council does enjoy a productive and genuine relationship with the recognised unions. This has been the case even in recent years where there have been difficult and challenging decisions that the Council has had to take. Whilst officers would not wish to propose a course of action that could lead to a worsening of industrial relations it must be borne in mind that this is only one consideration in an issue that has many other considerations as set out above. It is sometimes necessary to take decisions that will not please all stakeholders involved in that decision and it is suggested that the current decision is one example of such.

The unions principal argument against change appears to be that they are more likely to overturn a dismissal decision if an appeal is made to members as opposed to officers. This may well be the case but does not present itself as an argument for the preservation of the status quo. It is quite right to acknowledge that it is the trade unions proper function to defend its members accused of gross misconduct, it is also acknowledged that some unions will not act in certain circumstances where there is clear fault on the part of an employee. However, just because appeals to members are statistically more likely to result in a reinstatement is not an argument for the Council maintaining this position. There are numerous practical reasons set out elsewhere in this report that set out why change is appropriate and those reasons are clear and compelling as members have previously recognised. It is suggested that maintaining a practice on the basis that it is more beneficial to staff is not a relevant consideration.

The concern that is shared by all is the length of time that it usually takes to resolve an appeal before members. The reason that this is the case is that members are busy politicians who have many Council, political and other engagements. As such, it is very difficult to establish a Committee within a reasonable time of an employee being dismissed and there have been delays of some months before a panel has been convened. This is a matter of some concern as the Council is under a legal duty to hear an appeal expeditiously and a failure to do so can render a dismissal unfair as well as attract punitive damages.

Appeals to officers against dismissal for reasons other than discipline are able to be heard much sooner as it is practically easier to convene a hearing with a senior manager and an advisor as opposed to a panel of five elected members. Accordingly, the shared concern of the delay in hearing appeals can be alleviated if members confirm their original decision to amend the disciplinary policy to allow officer based appeals.

A Compromise Solution

If members are minded to reverse their previous decision officers propose an alternative which is essentially to retain member appeals for cases where an employee can demonstrate that it would be more appropriate for a panel of members to hear an appeal than a senior officer. It is proposed that the Assistant Director of People and Development would make the decision as to whether or not any appeal should be heard by members or an officer after representations have been made to her. Although the trade unions do not support this proposal as it places too much power in one officer, it actually involves two senior officers in any dismissal decision as opposed to one and as such does provide an independent check on the dismissal process. The trade unions have however acknowledged that this is a better alternative for them than to remove the appeal route to members entirely.

Officers would propose that if members are minded to reverse their decision this policy should be piloted for a year and then a further report on its effectiveness brought back to this Committee at the end of the pilot for members to take a decision to confirm the policy or make such further changes as may be necessary.

4.0 Financial Implications

4.1 There are no direct financial implications involved in this report.

5.0 Legal Implications

5.1 The proposed change to the disciplinary policy is in accordance with the ACAS Code of Practice on discipline in the work place.

6.0 Diversity Implications

6.1 No diversity implication have been identified.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 The body of this report concerns itself with matters relating to staffing.

Background Papers

Disciplinary Procedure
Minutes of the JCC 26th November 2012

Contact Officers: Cara Davani, Assistant Director People and Development.

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