



# LONDON BOROUGH OF BRENT

## MINUTES OF THE GENERAL PURPOSES COMMITTEE Tuesday 22 January 2013 at 7.00 pm

PRESENT: Councillor Butt (Chair), Councillor R Moher (Vice-Chair) and Councillors Cheese, Hirani, Long, Lorber, J Moher and Arnold

Apologies for absence were received from: Councillors Beswick and Brown

### 1. **Declarations of personal and prejudicial interests**

There were no declarations of personal or prejudicial interest.

### 2. **Deputations (if any)**

None.

### 3. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 27 November 2012 be approved as an accurate record of the meeting.

### 4. **Matters arising (if any)**

None.

### 5. **Order of the agenda**

The committee agreed that the order of the agenda be amended to as follows: -

- Proposed changes to the Disciplinary Procedure
- Calculation of Business Rates Income 2013/14
- Calculation of Council Tax Base 2013/14
- Appointments to Sub-Committees / Outside Bodies
- Any Other Urgent Business

### 6. **Proposed Changes to the Disciplinary Procedure**

Cara Davani (Assistant Director of People and Development) presented a report to the committee which set out proposed changes to the Disciplinary Procedure in respect of appeals against dismissal for gross misconduct. The committee had previously received a report on this issue at its meeting on 13 September 2012. This report had recommended that appeals against dismissal for gross misconduct

be heard by a senior officer and not a member panel. The committee had deferred further consideration of the draft policy until the proposals had been considered at the forthcoming meeting of the Employees' Joint Consultative Committee (JCC).

Cara Davani explained that the meeting of the Employees' JCC had been held on 26 November 2012 and the objections raised by the Trade Unions were summarised in the report before the committee. The Trade Unions had argued that the proposed changes to the policy amounted to an attack on employee rights, noting that statistically, appeals to members were more likely to be successful than appeals to senior officers. It was also considered that the proposed changes should be applied to all members of staff equally where possible and therefore, those at Assistant Director level should not be excluded from the senior officer determined appeals process, as the original proposal had suggested. A number of concerns had also been raised by members at the Employees' JCC. In view of these concerns and the position of the Trade Unions, it was proposed that if the committee did not wish to proceed with the original proposal, it may wish to consider a compromise solution of a 12 month pilot scheme. The pilot scheme would carry forward the proposal that senior officers would be responsible for determining appeals against dismissal for gross misconduct but would also include a measure to allow appellants to make a case that their appeal should be heard by a member panel. The Assistant Director People and Development would be responsible for considering such requests. After the pilot had been completed a further report would be submitted to the committee assessing the success of the scheme.

During the subsequent discussion, members acknowledged the concerns raised by the Trade Unions and members at the meeting of the Employees' JCC. It was commented that the recent changes to the employment tribunal process provided an important context to the decision before the committee but it was also accepted that there was a move within local government towards officer determined appeals processes. Turning to the proposed pilot scheme, members sought clarity on how it would be assessed to evidence whether full and fair judgements had been made. Members also noted the concerns expressed regarding the administration of the appeals process and the issues which could lead to delay; it was agreed that a review of this should be undertaken.

Responding to members' comments Cara Davani agreed that a review of the administration of the appeals process would be held. With regard to the pilot scheme, on its completion an analysis would be conducted for the year of its operation and presented to the committee in a report by the end of March 2014.

Councillor Cheese commented that he agreed with the position of the Trade Unions and felt that the existing system for considering appeals against dismissal for gross misconduct was sufficient and should remain.

#### RESOLVED:

- (i) that the concerns raised at the Employees' Joint Consultative Committee meeting held on 26 November 2012 be noted;
- (ii) that a pilot scheme be established to run for a period of 12 months, under which appeals against dismissal for gross misconduct will be heard by senior

officers, except where an application for the appeal to be heard by a member Panel has been made and agreed to by the Assistant Director of People and Development;

- (iii) that under the terms of the pilot scheme, appeals against dismissal for gross misconduct submitted by Assistant Directors be heard by senior officers.

## 7. Calculation of Business Rates Income 2013/14

Mick Bowden (Deputy Director of Finance) presented a report to the committee setting 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 would be used in the calculation of the council tax requirement for 2013/14 and was required to be agreed by 31 January 2013. This was a new requirement introduced by the Local Government Finance Act 2012. Prior to the introduction of this Act, business rates were passed to central government and redistributed from a national NNDR pool to local authorities according to a complicated formula for spending need. Under the Local Government Finance Act 2012 50% of business rates would be retained locally, and the remaining 50% would be redistributed by central government as before. In London, the Greater London Authority (GLA) would receive 20% of funds, leaving local authorities with 30% of the overall business rates collected within its boundaries.

Mick Bowden explained that the government had estimated the income from NNDR for the Council £30.623m. This equated to 30% of an overall NNDR figure for Brent of £102.078m. This overall figure had been calculated using the baseline position provided by the Department for Communities and Local Government (DCLG) which drew on figures for 2010/11 and 2011/12. As Brent had previously received significantly greater amounts than its contribution to the national NNDR pool it would receive a top-up payment of £46.534m, which would increase by RPI each year. It was emphasised that it was extremely difficult to accurately estimate this figure. Consequently, a further calculation would be required each year of the surplus or deficit on the NNDR part of the collection fund. The additional income from a surplus or the burden of a deficit against the estimated figure would be apportioned as the overall NNDR estimated income; 30% to Brent, 20% to the GLA and 50% to central government.

The committee raised several queries in the subsequent discussion. Further information was sought regarding the stability of the estimated income on a year by year basis and it was queried how Brent compared with its statistical neighbours. Members noted the impact of the issues raised in relation to the Valuation Office (VO) and queried whether their initial valuations were efficiently conducted. With reference to successful appeals against the VO, it was also queried how those that were backdated were reflected in the council's accounts.

In response to members' queries, Mick Bowden advised that the basic process of administering business rates had not changed and therefore, evidence could be drawn from past years returns. The greatest area of risk applied to the level of appeals against the VO's valuations. The DCLG had recommended that a figure of 5% be used to account for the adjustments required by successful appeals, which would equate to a reduction in rate yield of £5.965m. The Council had lobbied the government on this matter with partial success. The 5% figure largely reflected the

average impact of these appeals in Brent in previous years and it had therefore been used in the calculation of the estimated income but the potential for large liabilities springing from successful appeals remained. The number of successful appeals did prompt concerns regarding the accuracy of initial valuations; however, the council did have to rely on the information provided by the VO when calculating its estimate. Successful appeals that were back dated would be accounted for within the collection fund accounts..

RESOLVED:

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

## 8. **Calculation of Council Tax Base 2013/14**

Mick Bowden (Deputy Director of Finance) presented a report to the committee setting out the council tax base calculations to be used for 2013/14. The level of council tax base set would be used in the calculation of the council tax for 2013/14 and was required to be set by 31 January prior to the start of the financial year. The calculation was initially based on the council tax base return submitted to the Department of Communities and Local Government (DCLG) in October 2012, which was used in government grant calculations. For 2013/14 the tax base used in grant calculations would be 101,875 Band D equivalent properties. This figure would need to be adjusted from 2013/14 onwards to take account of changes introduced by the Local Government Finance Act 2012.

Mick Bowden explained that under this Act, the previous scheme of Council Tax Benefit (CTB) had been replaced by a new localised Council Tax Support Scheme. Local authorities had previously received a 100% subsidy on the actual cost of CTB granted. Under the new arrangements, local authorities would receive a fixed annual grant, designed to cover 90% of the previous cost of CTB, and would be required to establish their own council tax support schemes. The result of this was that local authorities would have to fund the reduction in subsidy, together with any further increases resulting from any rises in the level of Council Tax, or from caseload changes. The Act also gave Local authorities the power to make a range of changes to exemptions from Council Tax under its local scheme. The Council had agreed the Brent Council Tax Support scheme at its meeting on 10 December 2012, the overall effect of which was to give an estimated adjusted tax base figure of 80,408. The council tax base set by the council also needed to take account of the likely collection rate and it was recommended that this be set at 96%. This had been scaled down from an expected 97.5% to take into account the changes resulting from the Local Government Finance Act 2012. In particular, it was highlighted that there would be over 22,000 households in Brent who had previously been receiving part or full CTB, but which now would be required to pay some or all of their Council Tax. It was considered inevitable that this would have an adverse effect on the overall collection rate, but as there was no history of

collection data to examine, a large element of assumption would be necessary for 2013/14. The resulting council tax calculation returned a council tax base of 77,191.

During members' subsequent discussion, it was queried whether other sources of evidence could be drawn upon to assist in determining whether residents were likely to pay their council tax, including information from housing associations regarding payment histories. The committee further queried how Brent's collection rate compared with other boroughs. Councillor Lorber commented that he felt that 96% was a bit low and that whilst it might be a challenging target, it was important to send out the right message.

In response, Mick Bowden advised that as these council tax payments would be a new requirement for some, there was still uncertainty regarding eventual collection rates. Brent's collection rate assumption was in line with other boroughs and further evidence would be gathered in forthcoming years.

RESOLVED:

- (i) that the collection rate for the council tax for 2013/14 be set at 96%
- (ii) that in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, the council tax base for 2013/14 be set at 77,191.

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

None.

**10. Any Other Urgent Business**

None.

The meeting closed at 7.45 pm

M BUTT  
Chair