

London Borough of Bexley

News Release

For Immediate Release

01 February 2016 / PR 8279

3.99% COUNCIL TAX INCREASE “VERY LIKELY”

Bexley’s Cabinet set out why the Borough’s Council Tax is very likely to increase by the maximum 3.99% allowed this year, during its latest Budget discussions.

Last week’s (26 January) Cabinet meeting heard that the Government’s latest financial settlement for Bexley was even more challenging than expected. The Council faces increased costs and the withdrawal of its government grant.

Adult social care is a key area where increased demand, new responsibilities and the impact of the National Living Wage continue to drive up expenditure. Cabinet members believe they have little choice but to take the opportunity offered by the Government for an extra 2% tax increase to help meet this, on top of the 1.99% already allowed. While welcome, the extra 2% will only go part of the way to meeting the extra costs the Council faces.

“We are focused on what is in the best long-term interests of our residents and businesses and on providing value for money,” explained Council Leader Cllr Teresa O’Neill OBE. “We need to find another £56 million in savings by 2019/20, on top of the £63 million we’ve saved over the last five years. We have plans to make £31 million of these savings, but still have to find a further £25 million. We will continue to give priority to our vulnerable residents, but we will need to increase Council Tax, make more tough choices and draw money from our reserves.”

“By 2020 all councils will have to rely on raising their own revenue,” explained Cllr Don Massey, Cabinet member for Finance and Corporate Services. “That means fees and charges, Council Tax and our share of Business Rates, which reflects the Government’s desire for councils to drive economic growth. Growth is part of our plans, but we will need significant extra Government investment in transport infrastructure to make it happen.”

The Cabinet agreed that its budget plans go forward for discussion at the

meetings of the Council's Overview and Scrutiny Committees during February.

A webcast of the Cabinet meeting can be viewed on the Council's webcast site at <http://www.bexley.public-i.tv/core/portal/home>

The Council's Budget will be decided and the Council Tax set at the beginning of March.

'ENDS'

More detail on the Council's financial situation and budget planning is set out in the report to the Cabinet meeting on 26 January. The report is available online at <http://democracy.bexley.gov.uk/ieListDocuments.aspx?CId=149&MId=27893>

**Please contact: John Ferry on 020 3045 4867
john.ferry@bexley.gov.uk**

