

additional papers 1

Executive Committee

**Mon 22nd Feb
2010
7.15 pm (or at the
adjournment of the
meeting of the Council)**

**Council Chamber
Town Hall
Redditch**



www.redditchbc.gov.uk

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**If you have any queries on this Agenda or any of the decisions taken or wish to exercise any of the above rights of access to information, please contact
Ivor Westmore
Committee Support Services**

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e.mail: ivor.westmore@redditchbc.gov.uk Minicom: 595528**

Welcome to today's meeting.

Guidance for the Public

Agenda Papers

The **Agenda List** at the front of the Agenda summarises the issues to be discussed and is followed by the Officers' full supporting **Reports**.

Chair

The Chair is responsible for the proper conduct of the meeting. Generally to one side of the Chair is the Committee Support Officer who gives advice on the proper conduct of the meeting and ensures that the debate and the decisions are properly recorded. On the Chair's other side are the relevant Council Officers. The Councillors ("Members") of the Committee occupy the remaining seats around the table.

Running Order

Items will normally be taken in the order printed but, in particular circumstances, the Chair may agree to vary the order.

Refreshments : tea, coffee and water are normally available at meetings - please serve yourself.

Decisions

Decisions at the meeting will be taken by the **Councillors** who are the democratically elected representatives. They are advised by **Officers** who are paid professionals and do not have a vote.

Members of the Public

Members of the public may, by prior arrangement, speak at meetings of the Council or its Committees. Specific procedures exist for Appeals Hearings or for meetings involving Licence or Planning Applications. For further information on this point, please speak to the Committee Support Officer.

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If you discover a fire, inform a member of staff or operate the nearest alarm call point (wall mounted red rectangular box). In the event of the fire alarm sounding, leave the building immediately following the fire exit signs. Officers have been appointed with responsibility to ensure that all visitors are escorted from the building.

Do Not stop to collect personal belongings.

Do Not use lifts.

Do Not re-enter the building until told to do so.

The emergency Assembly Area is on Walter Stranz Square.

Declaration of Interests: Guidance for Councillors

DO I HAVE A "PERSONAL INTEREST" ?

- Where the item relates or is likely to affect your **registered interests** (what you have declared on the formal Register of Interests)

OR

- Where a decision in relation to the item might reasonably be regarded as affecting **your own** well-being or financial position, or that of your **family**, or your **close associates** more than most other people affected by the issue,

you have a personal interest.

WHAT MUST I DO? **Declare the existence, and nature, of your interest and stay**

- The declaration must relate to specific business being decided - a general scattergun approach is not needed
- **Exception** - where interest arises only because of your membership of another **public body**, there is no need to declare unless you **speak** on the matter.
- You **can vote** on the matter.

IS IT A "PREJUDICIAL INTEREST" ?

In general only if:-

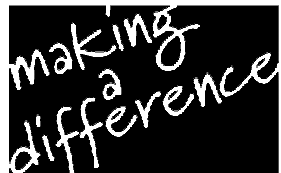
- It is a personal interest **and**
- The item affects your **financial position** (or conveys other benefits), or the position of your **family, close associates** or bodies through which you have a **registered interest** (or relates to the exercise of **regulatory functions** in relation to these groups)

and

- A member of public, with knowledge of the relevant facts, would reasonably believe the interest was likely to **prejudice** your judgement of the public interest.

WHAT MUST I DO? **Declare and Withdraw**

BUT you may make representations to the meeting before withdrawing, **if** the public have similar rights (such as the right to speak at Planning Committee).



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of the meeting of the Council)

Council Chamber Town Hall

<p>3. Independent Remuneration Panel - Recommendations</p> <p>(Pages 23 - 30)</p> <p>Chief Executive</p>	<p>To consider the recommendations of the Independent Remuneration Panel in respect of Members' Allowances for the financial year 2010/11.</p> <p>(Report attached)</p> <p>(No Direct Ward Relevance)</p>
<p>4. Council Tax Setting</p> <p>(Pages 31 - 52)</p> <p>Head of Resources</p>	<p>To consider a report on the setting of the Council Tax, so as to enable the Committee to recommend to Council the level of Council Tax for 2010/11.</p> <p>(Report attached)</p> <p>(No Specific Ward Relevance)</p>

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No direct Ward Relevance

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SCHEME OF MEMBERS ALLOWANCES - REPORT OF INDEPENDENT REMUNERATION PANEL

(Report of the Head of Legal, Equalities and Democratic Services.)

1. Summary of Proposals

The proposals outlined below are recommendations from the Independent Remuneration Panel (IRP) which met on 5th February 2010 to consider any changes, amendments or other concerns relating to the Scheme of Members Allowances. The Panel considers Members Allowances on an annual basis.

2. Recommendations

The Committee is asked to RESOLVE that

- 1) the requirement for an annual inflation increase, as a minimum, be re-affirmed;
- 2) the Council be asked to note the IRP's belief that additional supplementary increases should be made to gradually bring the Borough Council into line with other authorities;
- 3) no such additional increase be recommended for 2010/11, in view of the current uncertain financial climate affecting local authorities;
- 4) because of a current ambiguity, definitions of "Approved Duties" for mileage/subsistence claims purposes be clarified to specify that SRA is intended to cover the additional costs associated with relevant "Special Responsibility"; and that claims will only be accepted for duties approved in advance by the Council.

3. Financial, Legal, Policy, Risk and Climate Change / Carbon Management Implications

Financial

- 3.1 The Independent Remuneration Panel understands that provision has been made for an annual increase to allowances in line with any increase budgeted for in respect of staff salaries / inflation in line with previous Council Resolution.

- 3.2 Should any amendments be made to the amounts payable under the Scheme of Members Allowances, then provision would have to be made within the budget for 2010/11 to take account of such change.

Legal

- 3.3 Under the Local authorities (Members' Allowances) (England) Regulations 2003 (made under the Local Government and Housing Act 1989 and Local Government Act 2000), the Council has to make a scheme for the payment of Members' Allowances.
- 3.4 The scheme may be amended at any time but may only be revoked with effect from the beginning of a financial year.
- 3.5 Before an authority makes or amends a scheme, it must have regard to recommendations made by an Independent Remuneration Panel.
- 3.6 An Independent Remuneration Panel (IRP) should consist of at least three members, none of whom –
- (a) is also a member of an authority in respect of which it makes of such an authority; or
 - (b) is disqualified from being or becoming a member of an authority.

Policy

- 3.7 The operation of the independent review process is a matter of statutory requirement rather than of Council Policy.
- 3.8 The Scheme of Allowances is one of the Council's Constitutional documents.
- 3.9 It has previously been agreed that, as a minimum, Members' Allowances will be routinely increased each year in line with the Council's agreed inflation rate

Risk

- 3.10 The Council must have an approved Scheme. Risks relate to the difficulty of encouraging and retaining membership of the Council when the costs of being a Councillor can be considerable in terms of time / income, travelling costs, telephone and line rental costs, stationery and equipment costs, childcare etc.

Climate Change / Carbon Management

3.11 None identified.

Report**4. Background**

4.1 The IRP met on 5th February 2010 to consider the Scheme of Allowances and any changes, amendments or other concerns which had arisen or been brought to its attention during the year.

5. Key Issues

5.1 The Panel acknowledged the difficult current financial climate, but reaffirmed that it considered that the value of the allowances paid to Members of Redditch Borough Council should not be permitted to fall further behind those of other similar authorities, and that Allowances should continue to be increased in line with inflation / staff pay awards. Ideally, provision should be made to further increase allowances to bring them into line with other similar authorities as previously recommended..

5.2 Items to be considered by the Panel included the following:

- a) The annual inflation increase (in initial Council budgets for 2010/11, already resolved by the Council as an ongoing annual increase).
- b) A potential further increase, intended to try to raise RBC allowances to comparable levels with other similar authorities.
- c) the establishment of clearer definitions as to what can be (SRA) – for example, should mileage for an SRA related meeting be covered by that SRA or claimed separately).

5.3 Prior to the meeting, current Council Members had been asked on behalf of the Panel for any views or issues they wished to be put before the Panel.

- a) In this case, the only new appointment for consideration was the Chair / Vice Chair of the recently constituted Crime & Disorder Scrutiny Panel. The IRP concluded that until this body had met and workloads and responsibilities been assessed, they could not with any fairness set an SRA payment, but would reconsider this issue when they next met.

- b) A Member had requested a review of the level of SRA payments for Planning Chair and Vice Chair, on the basis that, with changing responsibilities and a shift towards more Officer decisions on planning issues, these might seem high. The IRP considered this matter in relation to Planning Chair payments in

other neighbouring local authorities and concluded that they would not at this stage wish to recommend any reduction in these SRAs.

- 5.4 The IRP agreed that, in view of this year's "light touch" review of allowances, it would in the following year, undertake a lengthier and more detailed review, noting that there were proposals for alternative IRP arrangements (shared IPR) under consideration for future years.

6. Other Implications

Asset Management	-	None identified.
Community Safety	-	None identified.
Health	-	None identified.
Human Resources	-	None identified.
Social Exclusion	-	Failure to agree appropriate levels of remuneration might discourage those with low incomes or caring responsibilities from becoming or remaining elected Members.
Environmental /	-	None identified.
Sustainability /		None identified.

7. Lessons Learnt

The IRP would seek to start its work in September 2010 to enable a more in depth review in preparation for 2011/12 allowances.

8. Background Papers

Members' allowance schemes for other Worcestershire and neighbouring authorities.

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9. Consultation

9.1 This report has been prepared in consultation with relevant Borough Council Officers (Democratic Services Manager, Senior Accountancy Officer)

9.2 Other consultees were Members of the Council and Officers of other Worcestershire and neighbouring authorities.

10. Author of Report

The author of this report is Trish Buckley (Member Services Officer), who can be contacted on extension 3265 (e-mail: trish.buckley@redditchbc.gov.uk) for more information.

11. Appendices

Appendix A – Scheme of Allowances – updated.

Executive Committee

Appendix 1

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SCHEME OF ALLOWANCES

(figures rounded to nearest £)

SCHEDULE 1 – BASIC ALLOWANCE payable to each Member of the Council

Basic Allowance	Current amount	Proposed Amount	Description
	£3,316	£3,350	29 Members
TOTAL	£96,164	£97,150	

SCHEDULE 2 – SPECIAL RESPONSIBILITY ALLOWANCES (SRA) – payable to specified Members of the Council in addition to the basic allowance.

SRA role	2009/10	Totals	2010/11	Totals	No. in role
	Current amounts		Proposed amounts		
Leader of the Council & Exec Chair	£6,631	£6,631	£6,697	£6,697	1
Deputy Leader of the Council & Vice Chair Exec	£4,641	£4,461	£4,687	£4,687	1
Portfolio Holders (all are Mbrs of Executive Co & includes Ldr & Dep)	£1,545	£9,270	£1,560	£9,360	6
Other Executive Committee Mbrs who are not Portfolio Holders	£1,061	£3,183	£1,072	£3,216	3
Leaders of "Minority" Groups	£1,030	£2,060	£1,040	£2,080	2
Executive Panel Chairs (if not Portfolio Hldr)	£1,327	-	£1,340	-	0
O&S Chair	£1,989	£1,989	£2,009	£2,009	1
O&S Co mbrs	£1,061	£8,488	£1,072	£8,576	8

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SRA role	Current amounts	Totals	Proposed amounts	Totals	No. in role
	2009/10		2010/11		
Planning Chair	£3,182	£3,182	£3,214	£3,214	1
Planning Vice Ch	£1,061	£1,061	£1,072	£1,072	1
Licensing Co Chair	£1,327	£1,327	£1,340	£1,340	1
Licensing Co Vice Chair	£266	£266	£269	£269	1
LGA & General Assembly	£266	£266	£269	£269	1
LGA Rural Commission	£266	£266	£269	£269	1
LGA Urban Commission	£266	£266	£269	£269	1
WMLGA Association Council	£266	£266	£269	£269	1
Independent Chair of Standards Co	£258	£258	£261	£261	1
Independent Members of Standards Co	£100	£200	£101	£202	2
Other Independent Members (IRP)	-	-	-	-	3 Paid per meeting at £27.15
Totals		£43,002		£43,798	

Council

No Direct Ward Relevance

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SETTING OF THE COUNCIL TAX 2010/11

(Report of the Head of Finance, Revenue and Benefit Services)

1. **Summary of Proposals**

To enable Members to set the level of Council Tax for 2010/11.

2. **Recommendations**

The Committee is asked to **RECOMMEND** that

the recommendations set out in Appendix 'Part D' of the report be approved.

3. **Financial, Legal, Policy, Risk and Climate Change / Carbon Management Implications**

Financial

3.1 The report details financial implications throughout.

Legal

3.2 The Local Government Finance Act 1992 Chapter 14 provides for certain local authorities to levy and collect Council Tax. Sections 30 to 38 of the Act specify the calculations required to set the tax.

3.3 Billing Authorities must set the amounts of the tax before the 11th of March in the preceding financial year.

3.4 The required calculations and the Council Tax for each property band are set out in Parts B and C of the Appendices to the report.

Policy

3.5 No policy implications have been separately identified in this report.

Risk

3.6 The Council will not be complying with its statutory duty as a billing authority if it fails to set the amount of Council Tax for Redditch for 2010/11 before the 11th of March 2010.

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Climate Change / Carbon Management

3.7 There are none identified.

Report

4. Background

This report consolidates the individual Heads of Service General Fund revenue estimates for 2010/11 which were presented to the Executive Committee during the current cycle of meetings.

5. Key Issues

5.1 This report details the action taken to date and the decisions still to be taken in each of the following areas:

- a) Part A Redditch's estimated outturn for 2009/10 and spending plans for 2010/11.
- b) Part B Setting the Council Tax for 2010/11.
- c) Part C The Collection Fund.

5.2 Supplementary sheets for any of these areas may be distributed at the meeting.

2010/11 Base Budget

5.3

On the 3rd February the Executive Committee considered the initial estimates for 2010/11 together with a number of revenue and capital bids for the period 2010/11 to 2012/13. The Council has a balanced budget for 2010/11.

6. Other Implications

Asset Management	-	None identified.
Community Safety	-	None identified.
Health	-	None identified.
Human Resources	-	None identified.
Social Exclusion	-	None identified.
Environment / Sustainability	-	None identified.

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7. **Lessons Learnt**

As outlined in Part B.

8. **Background Papers**

Heads of Service Estimated Outturn reports 2009/10.
Directorates' Estimates reports 2010/11.
Calculation of the Council Tax Base - Council on the 27th of January 2010.
Local Government Finance Settlement 2010/11.

9. **Consultation**

There has been no consultation other than with relevant Borough Council Officers.

10. **Author of Report**

The author of this report is Sam Morgan (Financial Services Manager), who can be contacted on extension 3790 (e-mail sam.morgan@redditchbc.gov.uk) for more information.

11. **Appendices**

Appendix A) - Part A (peach paper)
Redditch's estimated outturn for 2009/10 and spending plans for 2010/11.

b) Part B (cream paper) Setting the Council Tax for 2010/11.

c) Part C (pink paper) The Collection Fund.

d) Part D (cream paper) Conclusions / Recommendations.

(NB: The interim versions of the above appendices are all on buff paper ... Revised versions of the above will be circulated, on colour paper per the above list, in due course when full financial information is available.)

**REDDITCH BOROUGH COUNCIL GENERAL FUND ESTIMATED
OUTTURN FOR 2009/10 AND REVENUE REQUIREMENT FOR 2010/11****4. Background**

Officers have prepared initial budgets for 2010/11 which were submitted to Executive Committee on the 3rd February. These estimates have been calculated in line with the budget preparation guidelines approved by Executive Committee on the 18th November 2009. This part of the process has been completed.

5. Key Issues

- 5.1. The Heads of Service budgets are one element of the Council's General Fund revenue budget. The remaining elements are considered in this report and when brought together, form the overall picture of the Council's spending plans for 2010/11.

Formula Grant and Capping Criteria

- 5.2 The Formula Grant is simply a means of distributing Government grant. The system takes account of the relative needs of an area and the relative ability of council's areas to raise Council Tax using relative needs formulae to calculate grant payments. Redditch Borough Council's Formula Grant for 2010/11 is £6.458 million. Compared to the adjusted Amended Formula Grant for 2009/10 (adjusted to a comparable basis to the 2010/11 grant), this represents an increase of 0.5%.
- 5.3 The capping powers are set out in Local Government Act 1999. The powers allow the Minister of State to look back over two or more years when deciding if increases in the budget requirement are excessive. In addition to in-year capping, the Secretary of State is able to set a notional budget requirement to be used for future comparisons or to cap the following years' budget requirement. He/she is also able to require authorities to reduce their budgets over a number of years.
- 5.4 No specific guidance has been given as to the level of increase which would be considered excessive. However, there is an expectation that increases will not exceed 2.5%.
- 5.5 The proposed figure in paragraph 5.10 allows for a 1.75% increase in the budget requirement. The average Council Tax will need to increase by 2.5% because of increased costs and the reduction in the level of Formula Grant.

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5.6 Estimated outturn for 2009/10 and Initial Budget 2010/11 – Heads of Service Budgets

- a) The following table shows net Heads of Service revenue budgets as reported to the Executive Committee during the current cycle of meetings.

Head of Service	2009/10 Initial Budget £'000	2010/11 Initial Budget £'000
Directors	0.0	0.0
Head of Financial, Revenues & Benefits	1,736.8	1,803.7
Head of Legal, Democratic & Property	625.4	615.4
Head of Strategy & Partnerships	1,586.2	1,547.5
Head of Environment	2,912.1	3,041.9
Head of Leisure & Arts	3,403.4	3,132.5
Head of Planning & Building Control	966.2	964.3
Head of Asset and Maintenance	80.9	46.0
Head of Operations	1,846.0	1,868.2
Head of Housing & Community	697.6	650.3
Head of Customer and IT	54.6	67.9
Head of HR & Communications	123.7	195.8
Total	14,032.9	13,933.5

Council**Appendix A**

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- b) The Heads of Service budgets have been prepared assuming no increase in service provision unless previously approved by Members.
- c) A robust process has been followed in preparing the estimates for 2010/11. The Financial Services Section have, in conjunction with budget holders, prepared the estimates taking into account all anticipated inflationary increases in expenditure and all known sources of additional income.

5.7 Capital Charges

- a) The Heads of Service budgets include a charge made in line with current accounting practice to reflect the costs of using capital assets such as buildings and major items of equipment.
- b) An adjustment is made to remove these notional charges from the budget when the Council Tax is set to prevent these costs distorting the level of general fund expenditure. This adjustment is shown in paragraph 5.9 below.

5.8 Use of balances

The General Fund revenue balances at the 31st of March 2009 was £2.131 million.

General Fund balances	£'000	£'000
As at 31 March 2009	2,131.2	
Allocations during the year (2009/10)	<u>(153.7)</u>	1,977.5
Recommended level at 31 March 2011		<u>750</u>
Available for allocation 2010/11		<u>1,227.5</u>

5.9 General Fund Summary 2010/11

The overall revenue budget can be summarised as follows:-

	£'000
Expenditure	
Net Heads of Service expenditure (see para. 5.6)	13,933
Planning Grant	(150)
Area based grant	(104)
Net Financing charges	226
Net contingencies/identified savings	(214)
Prior Year VAT adjustment	(346)
Additional superannuation payments	271
Provision for bad debts	50
FRS17 adjustment	227
Minimum Revenue Provision (MRP)	417
Sub Total	14,310
Capital Charges (see para. 5.7)	(1,470)
Net expenditure	12,840
Add Feckenham Parish Precept	8
Total Expenditure	12,848
Resources	
Revenue Support Grant	(819)
Business Rates Pool	(5,639)
Council Tax	(5,762)
Total external funding (Budget Requirement) (see Para 5.2)	12,220
Use of balances	628
Total Resources	12,848

SETTING THE COUNCIL TAX FOR 2010/11**4. Background**

Sections 33 to 36 of the Local Government Act 1992 provide for the calculation of a billing authority's Council Tax in accordance with specified formulae.

5. Key Issues**5.1 Budget Requirement**

Part A of this report details the Authority's 2010/11 general Fund Budget Requirement. The Borough Council's recommended Budget Requirement is £12.214 million.

5.2 Feckenham Parish Council Precept

In calculating its Budget Requirement a billing authority has to take account of the amount of any precept issued to it for the year concerned by a local precepting authority. Feckenham Parish Council has notified the Borough Council that its precept for 2010/11 will be £8,300. The total budget requirement for 2010/11 will therefore be £12,222,769.

5.3 Revenue Support Grant (RSG) and Redistributed Non Domestic Rates (NDR)

The Minister of State has announced that Redditch's RSG entitlement for 2010/11 will be £818,847.

Local businesses pay rates calculated by multiplying their rateable value by a national multiplier (specified by the government). The Council collects the proceeds (as agents of the government) which are pooled nationally and redistributed back to local authorities on the basis of a fixed amount per head of population. Redditch's entitlement for 2010/11 has been set at £5,639,079.

5.4 Collection Fund Surplus

Under Section 97(3) of the Local Government Finance Act 1988 any estimated surplus or deficit on the collection fund at the 31st of March 2010 is to be taken into account by the billing authority in calculating its Council Tax for the year beginning the 1st of April 2010. The surplus at the 31st of March is estimated to be £73,037 (as calculated in Part C of this report).

5.5 Collection Fund Tax Base

The Council meeting on the 27th of January 2010 set the Council Tax Base for 2010/11 at 27,470.42 Band D equivalent properties for the whole of the Borough. The calculation is reproduced at Appendix B1 of Part B for information.

5.6 Calculation of the Borough Council Element of the Council Tax for 2010/11

This is prescribed by formulae contained in Sections 33 and 34 of the Act. Appendix B2 of Part B details the results of applying the formulae to the above data.

The average Council Tax for Redditch will be £209.49 as detailed in the Appendix subject to any further decisions taken by the Committee. When compared to the 2009/10 tax this represents a 2.5% increase.

The Budget Requirement has increased by 1.75%, whereas the external funding (RSG and redistributed NDR) provided by the Government has increased by 0.5%, when compared to the actual Formula Grant for 2009/10.

Council**Appendix B**

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Appendix A

REDDITCH BOROUGH COUNCIL TAX BASE 2010/11

	Band A-	Band A	Band B	Band C	Band D
Number of dwellings	0	7,459	11,601	7,137	4,177
Valuation List changes during year			14	114	
Exempt dwellings	0	-263	-223	-141	-52
Net disabled relief	12	40	-16	-11	-3
Number of chargeable dwellings	12	7,236	11,376	7,099	4,122
Number of dwellings entitled to 25% discount	4	4,238	3,813	1,872	896
Number of dwellings entitled to 50% discount	0	90	95	46	28
Number of dwellings entitled to no discount	8	2,908	7,454	5,067	3,198
Discount deduction	1.00	1,104.50	1,000.75	491.00	238.00
Net chargeable dwellings	11.00	6,131.50	10,375.25	6,608.00	3,884.00
Ratio to Band D	5/9	6/9	7/9	8/9	1
Relevant Amount (Band D equivalent)	6.11	4,087.67	8,069.64	5,873.78	3,884.00

	Band E	Band F	Band G	Band H	Total
Number of dwellings	3,106	1,117	423	21	35,041
Valuation List changes during year					0
Exempt dwellings	-37	-10	-5	0	-731
Net disabled relief	-7	-13	2	-4	0
Number of chargeable dwellings	3,062	1,094	420	17	34,438
Number of dwellings entitled to 25% discount	424	148	39	1	11,435
Number of dwellings entitled to 50% discount	18	10	12	2	301
Number of dwellings entitled to no discount	2,620	936	369	14	22,574
Discount deduction	115.00	42.00	15.75	1.25	3,009.25
Net chargeable dwellings	2,947.00	1,052.00	404.25	15.75	31,428.75
Ratio to Band D	11/9	13/9	15/9	18/9	
Relevant Amount (Band D equivalent)	3,601.89	1,519.56	673.75	31.50	27,747.90
					Collection rate
					99.00%
					Tax base
					27,470.42

Calculation of the Council Tax 2010/11**Stage 1 - Calculation of tax for Band D assuming no parish area
(Section 33 Local Government Act 1992)**

Formula:
$$\frac{R - P}{T}$$

Where: R = Budget Requirement
P = Revenue Support Grant, NDR plus less deficit on the collection fund
T = Tax base

$$\begin{aligned} & \frac{\underline{\pounds 12,222,769} - \underline{\pounds 6,468,126}}{27,470.42} \\ & = \pounds 209.4851 \text{ (Basic Council Tax)} \end{aligned}$$

Stage 2 - Calculation of tax for Band D for areas with no parish precept (Section 34(2) Local Government Act 1992)

Formula:
$$B - \frac{A}{T}$$

Where: B = Basic Council Tax
A = Parish Precepts
T = Tax base

$$\begin{aligned} & \pounds 209.4851 - \frac{\underline{\pounds 8,300}}{27,470.42} \\ & = \pounds 209.1829 \end{aligned}$$

**Stage 3- Calculation of tax for Band D for areas with parish precept
(Section 34(3) Local Government Act 1992)**

Formula:
$$C + \frac{S}{TP}$$

Where: C = Council Tax for areas without parish precept
S = Parish Precept
TP = Tax base for parish

$$\begin{aligned} & \pounds 209.1829 + \frac{\underline{\pounds 8,300}}{363.54} \\ & = \pounds 232.0140 \end{aligned}$$

Council**Appendix B**

22nd February 2010

Stage 4 - Calculation of tax for valuation bands (Section 36 Local Government Act 1992)

Formula: $A \times \frac{N}{D}$

Where: A = Council Tax for Band D
 N = Valuation Band proportion
 D = Band D proportion

Band	Proportion	Redditch	Feckenham
A	6/9	£139.46	£154.68
B	7/9	£162.70	£180.46
C	8/9	£185.94	£206.23
D	1	£209.18	£232.01
E	11/9	£255.67	£283.57
F	13/9	£302.15	£335.13
G	15/9	£348.64	£386.69
H	18/9	£418.37	£464.03

THE COLLECTION FUND**4. Background**

The Local Government Finance Act 1988 requires each billing authority to maintain a Collection Fund. Throughout the year payments and transfers relating to Council Tax and Non Domestic Rates are made into and out of the Collection Fund. The payments and transfers are those prescribed by the 1988 Act as amended by the 1992 Act and subsequent amendments) including income from Council Tax payers and Business Rate payers, Council Tax Benefits and payments to precepting authorities.

5. Key issues**5.1 Precepts**

- a) Worcestershire County Council, West Mercia Police Authority and Hereford and Worcester Fire and Rescue Authority set their budgets for 2010/11 in February 2010.
- b) They are required to notify the Borough Council of their Council Tax requirements (Precepts). The precepts are calculated by apportioning their budget requirements between the district councils based on the number of Band D equivalent properties. These charges are included in the Council Tax bills issued during March.
- c) After taking account of Collection Fund balances Redditch taxpayers will pay £28.543 million towards the County Council's budget requirement. The County Council's element of the Council Tax will be £1,039.06 for a Band D property, an increase of £25.34 or 2.5% compared to 2009/10.
- d) The Police Authority require £4.910 million from taxpayers in Redditch. The Police have set a Council Tax of £178.72 for a Band D property, an increase of £5.10 or 2.94 % compared to 2009/10.
- e) The Hereford and Worcester Fire & Rescue Authority require £2.023 million from taxpayers in Redditch. The Fire Authority have set a Council Tax of £73.64 for a Band D property, an increase of £2.07 or 2.89% compared to 2009/10.

Summary of demands on Collection Fund 2010/11	
Precept/demand	£'000
Worcestershire County Council	28,543
Redditch Borough Council	5,755
West Mercia Police Authority	4,910
Hereford and Worcester Fire & Rescue Authority	2,023
Total demand on Collection Fund	41,231

5.2 Collection Fund balance

a) The Council is required to calculate the estimated position on the Collection Fund at the 31st of March 2010. Any estimated surplus or deficit arising from Council Tax transactions must be apportioned between the County Council, Hereford and Worcester Fire and Rescue Authority, the Borough Council and the Police Authority.

b) The estimated Collection Fund balance at 31st of March 2010 is as follows:

Attributable to:	Total Surplus
	£
Worcestershire County Council	50,598
Redditch Borough Council	10,200
West Mercia Police Authority	8,666
Hereford and Worcester Fire & Rescue Authority	3,572
Total Surplus	73,037

RECOMMENDATIONS

The Committee is asked to **RECOMMEND** that

- 1) **the 2009/10 General Fund estimated outturn as set out in Part A of this report be approved;**
- 2) **the 2010/11 General Fund Revenue estimates as set out in Part A of this report be approved;**
- 3) **it be noted that at its meeting on the 27th of January 2010 Council calculated the following amounts for the year 2010/11 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:**

- a) **27,470.42**

Being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year;

- b) **Feckenham Parish – 363.54**

being the amount calculated by the Council, in accordance with regulation 6 of the regulations, as the amount of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate;

- 4) **the following amounts be now calculated by the Council for the year 2010/11 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:**

- a) **£50,672,330 (excluding bids)**

being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act.

(2010/11 Gross General Fund Expenditure)

- b) **£38,449,561**

being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act.

(2010/11 Gross General Fund Income)

c) **£12, 222,769**

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 32 (4) of the Act as its budget requirement for the year;

(2010/11 Net General Fund Expenditure)

d) **£6,468,126**

being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-domestic Rates, Revenue Support Grant or additional grant increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97 (3) of the Local Government Finance Act 1988 (Council Tax Surplus) and increased by the amount of any sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charges) directions under Section 98 (4) of the Local Government Finance Act 1988 made on 7 February 1994 (Community Charge Surplus).

(RSG + NDR - Deficit on Collection Fund)

e) **£209.49**

being the amount at 4 (c) above less the amount at 4 (d) above, all divided by the amount at 3 (a) above, calculated by the Council, in accordance with Section 33 (1) of the Act, as the basic amount of Council Tax for the year;

(The average amount Band D properties pay for Redditch Borough Council services)

f) **£8,300**

being the aggregate amount of all special items referred to in Section 34 (1) of the Act;

(Feckenham Parish Precept)

g) **£209.18**

being the amount at 4 (e) above less the result given by dividing the amount at 4 (f) above by the amount at 3 (a) above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of Council Tax for dwellings in those parts of the area to which no special item relates.

(The amount Band D properties pay (except within the Parish of Feckenham) for Borough Council Services)

h) **£232.01**

being the amount given by adding to the amount at 4 (g) above, the amount of the special item relating to the Parish of Feckenham, divided by the amount in 3 (b) above, calculated by the Council, in accordance with Section 34 (3) of the Act, as the basic amount of its Council Tax for the year for dwellings in the Parish of Feckenham;

(The amount Band D properties pay within the Parish of Feckenham for Borough Council Services including the Parish Precept)

i)

Valuation Band	Proportion of Band D tax paid	Part of Council's area	
		Parish of Feckenham	All other parts of the Councils area
A	6/9	£154.68	£139.46
B	7/9	£180.46	£162.70
C	8/9	£206.23	£185.94
D	1	£232.01	£209.18
E	11/9	£283.57	£255.67
F	13/9	£335.13	£302.15
G	15/9	£386.69	£348.64
H	18/9	£464.03	£418.37

being the amounts given by multiplying the amounts at 4(g) and 4(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance

with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands;

- 5) it be noted that, for the year 2010/11, the Worcestershire County Council, the West Mercia Police Authority and the Hereford and Worcester Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Band	Proportion of Band D tax paid	Precepting Authority		
		Worcestershire County Council	West Mercia Police Authority	H & W Fire & Rescue Authority
A	6/9	£692.71	£119.15	£49.10
B	7/9	£808.16	£139.01	£57.28
C	8/9	£923.61	£158.86	£65.46
D	1	£1,039.06	£178.72	£73.64
E	11/9	£1,269.97	£218.44	£90.01
F	13/9	£1,500.87	£258.15	£106.38
G	15/9	£1,731.77	£297.87	£122.74
H	18/9	£2,078.13	£357.44	£147.28

- 6) having calculated the aggregate in each case of the amounts at 4 (l) and 5 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2010/11 for each of the categories of dwellings shown below:

Valuation Band	Proportion of Band D tax paid	Part of Council's area	
		Parish of Feckenham	All other parts of the Council's area
A	6/9	£1,015.64	£1,000.42
B	7/9	£1,184.91	£1,167.15
C	8/9	£1,354.16	£1,333.87
D	1	£1,523.43	£1,500.60
E	11/9	£1,861.99	£1,834.09
F	13/9	£2,200.53	£2,167.55
G	15/9	£2,539.07	£2,501.02
H	18/9	£3,046.88	£3,001.22

- 7) the level of General Fund balances to be utilised in 2010/11 be £628,600;
- 8) the level of the Redditch Borough Council demand on the Collection Fund be £5,754,643.

Part A (pink paper) Redditch's estimated outturn for 2009/10 and spending plans for 2010/11

Part B (cream paper) Setting the Council Tax for 2010/11

Part C (pink paper) The Collection Fund.

Part D (cream paper) Conclusions / Recommendations.

