

additional papers 1

Executive Committee

Mon 21st February
2011
7.05 pm (or at the
adjournment of the
meeting of the Council)

Council Chamber
Town Hall
Redditch



www.redditchbc.gov.uk

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- Automatic right to attend all Council and Committee meetings unless the business would disclose confidential or “exempt” information.
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- Access to a summary of the rights of the public to attend meetings of the Council and its Committees etc. and to inspect and copy documents.
- In addition, the public now has a right to be present when the Council determines “Key Decisions” unless the business would disclose confidential or “exempt” information.
- Unless otherwise stated, all items of business before the Executive Committee are Key Decisions.
- (Copies of Agenda Lists are published in advance of the meetings on the Council’s Website:
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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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Tel: 01527 64252 (Extn. 3269) Fax: (01527) 65216
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.

Special Arrangements

If you have any particular needs, please contact the Committee Support Officer.

Infra-red devices for the hearing impaired are available on request at the meeting. Other facilities may require prior arrangement.

Further Information

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If the alarm is sounded, please leave the building by the nearest available exit – these are clearly indicated within all the Committee Rooms.

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:-

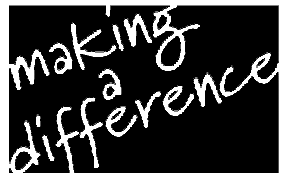
- It is a personal interest **and**
- The item affects your **financial position** (or conveys other benefits), or the position of your **family, close associates** or bodies through which you have a **registered interest** (or relates to the exercise of **regulatory functions** in relation to these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



Executive

Committee

21st February 2011

7.05 pm (or at the adjournment
of the meeting of the Council)

Council Chamber Town Hall

Agenda

Membership:

Cllrs:	Carole Gandy (Chair)	Malcolm Hall
	Michael Braley (Vice-Chair)	Gay Hopkins
	Juliet Brunner	Jinny Pearce
	Greg Chance	Debbie Taylor
	Brandon Clayton	

6. Council Tax Setting 2011/12

(Pages 96 - 113)

Head of Finance and
Resources

To set the Council Tax for 2011/12.

(Report attached)

(All Wards)

REDDITCH BOROUGH COUNCIL

Executive Committee

21st February 2011

SETTING OF THE COUNCIL TAX 2011/12

Relevant Portfolio Holder	Councillor Michael Braley, Portfolio Holder for Corporate Management
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Key Decision	

1. SUMMARY OF PROPOSALS

To enable members to set the level of Council Tax for 2011/12.

2. RECOMMENDATIONS

The Committee is asked to RECOMMEND that

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

3. BACKGROUND

This report consolidates the individual Heads of Service General Fund revenue estimates for 2011/12 which were presented to the Executive Committee during the current cycle of meetings.

4. KEY ISSUES

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

- a) Part A Setting the Council Tax for 2011/12.
- b) Part B The Collection Fund
- c) Part C Conclusions and recommendations

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

5. FINANCIAL IMPLICATIONS

The report details financial implications throughout.

REDDITCH BOROUGH COUNCIL

**Executive
Committee**

21st February 2011

6. LEGAL IMPLICATIONS

- 6.1 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.
- 6.2 Billing Authorities must set the amounts of the tax before the 11th of March in the preceding financial year.
- 6.3 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.

7. POLICY IMPLICATIONS

There have been none identified.

8. COUNCIL OBJECTIVES

The Council is required to set Council Tax each year, this forms part of the process of setting the following year budget. Failure to do so will result in the Council not being a Well Managed Organisation.

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

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 2011/12 before the 11th of March 2011.

10. CUSTOMER IMPLICATIONS

There are none identified

11. EQUALITIES AND DIVERSITY IMPLICATIONS

There are none identified.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

There are none identified.

REDDITCH BOROUGH COUNCIL**Executive
Committee**21st February 2011**13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY**

There are none identified.

14. HUMAN RESOURCES IMPLICATIONS

There are none identified.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

There are none identified.

**16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF
CRIME AND DISORDER ACT 1998**

There are none identified.

17. HEALTH INEQUALITIES IMPLICATIONS

There are none identified.

18. LESSONS LEARNT

As outlined in Part B.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

None.

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Chief Executive	No
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	No
Executive Director – Planning & Regeneration, Regulatory and Housing Services	No

REDDITCH BOROUGH COUNCIL**Executive
Committee**21st February 2011

Director of Policy, Performance and Partnerships	No
Head of Service	Yes
Head of Resources	No
Head of Legal, Equalities & Democratic Services	No
Corporate Procurement Team	No

21. WARDS AFFECTED

All Wards.

22. APPENDICES

- a) Part A Setting the Council Tax for 2011/12. (Pink paper)
- b) Part B The Collection Fund. (Ivory paper)
- c) Part C Conclusions and Recommendations. (Pink paper)

23. BACKGROUND PAPERS

Heads of Service Estimated Outturn reports 2010/11.
 Directorates' Estimates reports 2011/12.
 Calculation of the Council Tax Base - Council on the 12th January 2011.
 Local Government Finance Settlement 2011/12.

AUTHOR OF REPORT

Name Ian Batchelor
 Email: ian.batchelor@redditchbc.gov.uk
 Tel: (01527) 64252 ext.3076

SETTING THE COUNCIL TAX FOR 2011/12**3. Background**

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

4. Key Issues**4.1 Budget Requirement**

Part A of this report details the Authority's 2011/12 general Fund Budget Requirement. The Borough Council's recommended Budget Requirement is £10.483 million.

4.2 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 2011/12 will be £7,800. The total budget requirement for 2011/12 will therefore be £10,491,288.

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

The Minister of State has announced that Redditch's RSG entitlement for 2011/12 will be £1,108,936.

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 2011/12 has been set at £3,587,596.

4.4 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 2011 is to be taken into account by the billing authority in calculating its Council Tax for the year beginning the 1st of April 2011. The surplus at the 31st of March is estimated to be £142,983 (as calculated in Part B of this report).

4.5 Collection Fund Tax Base

The Executive meeting on the 12th of January 2011 set the Council Tax Base for 2011/12 at 27,569.18 Band D equivalent properties for the whole of the Borough. The calculation is reproduced later in this appendix.

4.6 Calculation of the Borough Council Element of the Council Tax for 2011/12

This is prescribed by formulae contained in Sections 33 and 34 of the Act. The results of applying the formulae to the above data are detailed later in this appendix.

The average Council Tax for Redditch will be £209.18 as detailed in the Appendix subject to any further decisions taken by the Committee. When compared to the 2010/11 tax there is no increase.

The Budget Requirement has decreased by 14.2%, whereas the external funding (RSG and redistributed NDR) provided by the Government has decreased by 27.3% when compared to the actual Formula Grant for 2010/11.

Executive Committee

Part A

21st February 2011

REDDITCH BOROUGH COUNCIL TAX BASE 2011/12

	Band A-	Band A	Band B	Band C	Band D
Number of dwellings		7,482	11,629	7,185	4,186
Valuation List changes during year			67	19	18
Exempt dwellings		-240	-209	-125	-53
Net disabled relief	14	40	-16	-13	-6
Number of chargeable dwellings	14	7,282	11,471	7,066	4,145
Number of dwellings entitled to 25% discount	6	4,232	3,809	1,912	902
Number of dwellings entitled to 50% discount		98	105	42	34
Number of dwellings entitled to no discount	8	2,952	7,490	5,093	3,191
Discount deduction	1.50	1,107.00	1,004.75	499.00	242.50
Net chargeable dwellings	12.50	6,175.00	10,466.25	6,567.00	3,902.50
Ratio to Band D	5/9	6/9	7/9	8/9	1
Relevant Amount (Band D equivalent)	6.94	4,116.67	8,140.42	5,837.33	3,902.50

	Band E	Band F	Band G	Band H	Total
Number of dwellings	3,111	1,122	416	21	35,152
Valuation List changes during year			6		110
Exempt dwellings	-25	-9	-5		-666
Net disabled relief	-4	-13	2	-4	0
Number of chargeable dwellings	3,082	1,100	419	17	34,596
Number of dwellings entitled to 25% discount	441	166	48	1	11,517
Number of dwellings entitled to 50% discount	19	9	12	1	320
Number of dwellings entitled to no discount	2,622	925	353	15	22,649
Discount deduction	119.75	46.00	18.00	0.75	3,039.25
Net chargeable dwellings	2,962.25	1,054.00	401.00	16.25	31,556.75
Ratio to Band D	11/9	13/9	15/9	18/9	
Relevant Amount (Band D equivalent)	3,620.53	1,522.44	668.33	32.50	27,847.66
			Collection rate		99.00%
			Tax base		27,569.18

Executive Committee

Part A

21st February 2011

Calculation of the Council Tax 2011/12

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 surplus on the collection fund
T = Tax base

$$\frac{\pounds 10,491,288 - \pounds 4,716,488}{27,569.18} = \pounds 209.4658 \text{ (Basic Council Tax)}$$

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

$$\pounds 209.4658 - \frac{\pounds 7,800}{27,569.18} = \pounds 209.1829$$

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

$$\pounds 209.1829 + \frac{\pounds 7,800}{367.29} = \pounds 230.4195$$

Executive Committee

Part A

21st February 2011

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	£153.61
B	7/9	£162.70	£179.22
C	8/9	£185.94	£204.82
D	1	£209.18	£230.42
E	11/9	£255.67	£281.62
F	13/9	£302.15	£332.83
G	15/9	£348.64	£384.03
H	18/9	£418.37	£460.84

THE COLLECTION FUND**3. 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.

4. Key issues**4.1 Precepts**

- a) Worcestershire County Council, West Mercia Police Authority and Hereford and Worcester Fire and Rescue Authority set their budgets for 2011/12 in February 2011.
- 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 £28.745 million towards the County Council's budget requirement. The County Council's element of the Council Tax will be £1039.06 for a Band D property, a zero increase on 2010/11.
- d) The Police Authority require £4.944 million from taxpayers in Redditch. The Police have set a Council Tax of £178.72 for a Band D property, a zero increase on 2010/11.
- e) The Hereford and Worcester Fire & Rescue Authority require £2.037 million from taxpayers in Redditch. The Fire & Rescue Authority have set a Council Tax of £73.64 for a Band D property, a zero increase on 2010/11.

Summary of demands on Collection Fund 2011/12	
Precept/demand	£'000
Worcestershire County Council	28,646
Redditch Borough Council	5,775
West Mercia Police Authority	4,927
Hereford and Worcester Fire & Rescue Service	2,030
Total demand on Collection Fund	41,378

4.2 Collection Fund balance

a) The Council is required to calculate the estimated position on the Collection Fund at the 31st of March 2011. 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 2011 is as follows:

Attributable to:	Total Surplus
	£
Worcestershire County Council	98,985
Redditch Borough Council	19,956
West Mercia Police Authority	17,026
Hereford and Worcester Fire & Rescue Service	7,016
Total Surplus	142,983

RECOMMENDATIONS

The Committee is asked to **RECOMMEND** that

1) **it be noted that at its meeting on the 12th of January 2011 Council calculated the following amounts for the year 2011/12 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:**

a) **27,569.18**

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 – 367.29**

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;

2) **the following amounts be now calculated by the Council for the year 2011/12 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:**

a) **£48,641,448 (including 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.

(2011/12 Gross General Fund Expenditure)

b) **£38,150,160**

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.

(2011/12 Gross General Fund Income)

c) **£10, 491,288**

being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the

Council in accordance with Section 32 (4) of the Act as its budget requirement for the year;

(2011/12 Net General Fund Expenditure)

d) **£4,716,488**

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) **£209.47**

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) **£7,800**

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) **£230.42**

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	£153.61	£139.46
B	7/9	£179.22	£162.70
C	8/9	£204.82	£185.94
D	1	£230.42	£209.18
E	11/9	£281.62	£255.67
F	13/9	£332.83	£302.15
G	15/9	£384.03	£348.64
H	18/9	£460.84	£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;

Executive Committee

Part C

21st February 2011

- 3) it be noted that, for the year 2011/12, Worcestershire County Council, West Mercia Police Authority and Hereford and Worcester Fire and Rescue Service 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	£139.00	£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

- 4) having calculated the aggregate in each case of the amounts at 4 (I) 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 2011/12 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	£1,014.57	£1,000.42
B	7/9	£1,183.66	£1,167.14
C	8/9	£1,352.75	£1,333.87
D	1	£1,521.84	£1,500.60
E	11/9	£1,860.04	£1,834.09
F	13/9	£2,198.23	£2,167.55
G	15/9	£2,536.41	£2,501.02
H	18/9	£3,043.69	£3,001.22

- 5) the level of General Fund balances to be utilised in 2011/12 be £515,000;
- 6) the level of the Redditch Borough Council demand on the Collection Fund be £5,774,800.

