

# Executive Committee

Monday 20th February  
2012

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

Council Chamber  
Town Hall  
Redditch



[www.redditchbc.gov.uk](http://www.redditchbc.gov.uk)

# Access to Information - Your Rights

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The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Recently the Freedom of Information Act 2000, has further broadened these rights, and limited exemptions under the 1985 Act.

Your main rights are set out below:-

- Automatic right to attend all Council and Committee meetings unless the business would disclose confidential or “exempt” information.
- Automatic right to inspect agenda and public reports at least five days before the date of the meeting.
- Automatic right to inspect minutes of the Council and its Committees (or summaries of business undertaken in private) for up to six years following a meeting.
- Automatic right to inspect lists of background papers used in the preparation of public reports.
- Access, upon request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral areas of all Councillors with details of the membership of all Committees etc.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending meetings of the Council and its Committees etc.
- Access to a list specifying those powers which the Council has delegated to its Officers indicating also the titles of the Officers concerned.
- 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:  
[www.redditchbc.gov.uk](http://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@bromsgroveandredditch.gov.uk](mailto:ivor.westmore@bromsgroveandredditch.gov.uk) Minicom: 595528**

# Welcome to today's meeting.

## Guidance for the Public

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### **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**

If you require any further information, please contact the Committee Support Officer (see foot of page opposite).

### **Fire/ Emergency instructions**

**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

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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

20th February 2012

7.00 pm

## Committee

Council Chamber Town Hall

### Agenda

#### Membership:

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

<b>1. Apologies</b>	To receive the apologies of any Member who is unable to attend this meeting.
<b>2. Declarations of Interest</b>	To invite Councillors to declare any interests they may have in items on the agenda.
<b>3. Leader's Announcements</b>	<ol style="list-style-type: none"><li>To give notice of any items for future meetings or for the Forward Plan, including any scheduled for this meeting, but now carried forward or deleted; and</li><li>any other relevant announcements.</li></ol> <p>(Oral report)</p>
<b>4. Independent Remuneration Panel for Worcestershire District Councils - Annual Report and Recommendations for 2012-13</b>  (Pages 1 - 16)	To consider the Annual Report and Recommendations for 2012-13 for Redditch Borough Council from the Independent Remuneration Panel for Worcestershire District Councils.  (Report attached)  <b>(All Wards)</b>
<b>5. Initial Estimates Report 2012/13, 2012/14 and 2014/15</b>  (Pages 17 - 44)  Executive Director (Finance and Corporate Resources)	To make recommendations on the Capital and Revenue Budgets for 2012/13 to 2014/15.  (Report attached)  <b>(All Wards)</b>

<p><b>6. Setting of the Council Tax 2012/13</b></p> <p>(Pages 45 - 60)</p> <p>Head of Finance and Resources</p>	<p>To set the Council Tax for 2012/13.</p> <p>(Report attached)</p> <p><b>(All Wards)</b></p>
<p><b>7. Exclusion of the Public</b></p>	<p>Should it be necessary, in the opinion of the Chief Executive, to consider excluding the public from the meeting in relation to any items of business on the grounds that exempt information is likely to be divulged it may be necessary to move the following resolution:</p> <p><b>“that, under S.100 I of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (<i>to be specified</i>) of Part 1 of Schedule 12 (A) of the said Act, as amended.”</b></p> <p><b>These paragraphs are as follows:</b></p> <p><b>Subject to the “public interest” test, information relating to:</b></p> <ul style="list-style-type: none"><li>• <b>Para 1 – <u>any individual</u>;</b></li><li>• <b>Para 2 – the <u>identity of any individual</u>;</b></li><li>• <b>Para 3 – <u>financial or business affairs</u>;</b></li><li>• <b>Para 4 – <u>labour relations matters</u>;</b></li><li>• <b>Para 5 – <u>legal professional privilege</u>;</b></li><li>• <b>Para 6 – <u>a notice, order or direction</u>;</b></li><li>• <b>Para 7 – the <u>prevention, investigation or prosecution of crime</u>;</b></li></ul> <p><b>may need to be considered as ‘exempt’.</b></p>

# Executive

Committee

20th February 2012

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**8. Confidential Minutes /  
Referrals (if any)**

To consider confidential matters not dealt with earlier in the evening and not separately listed below (if any).

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**Independent Remuneration Panel for Worcestershire  
District Councils**

**Annual Report and Recommendations for 2012-13**

**Redditch Borough Council**

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**December 2011**

Contents	Page
Recommendations to Council	1
Basic Allowance 2012/13	2
Special Responsibility Allowances 2012/13	2 - 3
Mileage and Expenses 2012/13	3
The Independent Remuneration Panel	4 - 6
Appendix 1	7 - 9
Appendix 2	10 - 13

Recommendations

**The Independent Remuneration Panel recommends to Redditch Borough Council the following:**

- (i) That in view of the continuing exceptional economic circumstances, the Basic Allowance remains unchanged from the recommendations from 2011/12 for 2012/13 at £3350 per Councillor. However, it should be noted that the Panel would be recommending £4,200 but acknowledges that in the present climate it would not be wise to implement an increase of 25%.**

**The Panel has included for information at Appendix 2 details of the level of allowances based on a basic allowance of £4,200 and the resulting Special Responsibility Allowances based on multipliers of the Basic Allowance that the Panel consider are consistent with the roles carried out.**

- (ii) That the Special Responsibility Allowances remain unchanged for 2012/13, as set out at Appendix 1.**
- (iii) That travel allowances for 2012/13 continue to be paid in accordance with the HMRC mileage allowance (currently 45p per mile).**
- (iv) That subsistence allowances for 2012/13 remain unchanged.**
- (v) That the Dependent Carer's Allowance remains unchanged.**
- (vi) That for Parish Councils in the District, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by the District Council and in accordance with the relevant Regulations.**

**i It should be noted that whilst Redditch Borough Council has continued to pay Members at the level of allowances set for 2009-10 (ie basic allowance of £3219), provision has annually been made in the budget for the IRP recommended figures**

## **Basic Allowance 2012/13**

### **Calculation of Basic Allowance**

The Basic Allowance is based on:

- The roles and responsibilities of Members; and
- Their time commitments – including the total average number of hours worked per week on Council business.

In calculating the recommended Basic Allowance, the Panel has previously used the average hourly earnings for the West Midlands from the Annual Survey of Hours and Earnings (ASHE) based on place of residence, produced by the Office for National Statistics. However, the basis for this measure has changed in recent years and we sought other indicators.

For this year's report the Panel also benchmarked the level of allowance against the following indicators:

- Survey of allowances in the South East of England undertaken by the South East Employers;
- Allowances for comparable roles paid by the CIPFA "Nearest Neighbour" Councils for each authority

This work showed that the basic allowance currently paid by Redditch is not in line with comparable roles in similar authorities. The Panel is recommending a Basic Allowance of £4,200 for Malvern Hills, Worcester City and Wychavon Councils, which is more consistent with the levels of allowances resulting from the benchmarking exercise. We consider this should be regarded as the "standard" level of basic allowance for each of the District Councils in Worcestershire.

However, in view of the severe wider economic situation, the Panel acknowledges that the Council may not feel able currently to support an increase in its basic allowance - currently £3,350 - to this level. We acknowledge that Redditch Councillors have accepted previous IRP recommendations but not increased the actual amount paid to Councillors for the last 3 years. The Panel must always be aware of its responsibility to command public confidence in its decisions. For this reason the Panel considers that there should be no increase in the hourly rate for 2012-13. However, we have included additional indicative information at Appendix 2, showing the level of allowances for Redditch if the £4,200 basic allowance was applied using the multipliers recommended by the Panel.

## **Special Responsibility Allowances (SRA) 2012/13**

### **General Calculation of SRAs**

The basis for the calculation of SRAs is a multiplier of the Basic Allowance as advocated in the published Guidance. This method has now been in use for a number of years in South Worcestershire and the Panel has reviewed the

responsibilities of each post, the multipliers and allowances paid by similar authorities. The Panel has benchmarked the allowances against those paid by authorities listed as “nearest neighbours” by CIPFA. Having reviewed the evidence gathered very carefully, the Panel considers that there are some SRAs currently paid by Redditch which are substantially different to the mean average recommended elsewhere in Worcestershire and paid by CIPFA nearest neighbour authorities. The Leader’s and Chair’s of Overview and Scrutiny Committee allowances stand out in this regard.

Appendix 1 to this report sets out the allowances for 2012/13. As mentioned above, we have included additional information at Appendix 2 to show the impact on the allowances currently paid by Redditch Borough Council of (a) using the “standard” multipliers recommended by the Panel but using the current Basic Allowance and (b) the impact using the “standard” multipliers and the recommended “standard” Basic Allowance of £4,200.

We acknowledge that in this difficult time economically the Council is unlikely to feel able to increase allowances substantially, but the Panel should be seen to be recommending what it considers to be an appropriate allowance for the levels of responsibilities carried out by Councillors.

*Leader of the Council - During our consideration of the Special Responsibility Allowances, we met with the Leaders of 4 of the District Councils and the Deputy Leader of the other, to discuss the expectations of the role of the Leader and how it is changing as a result of the Localism agenda and the impact of other legislation. We will review the role during the year once the full impact of the Localism Act and other requirements are being felt.*

### **Standards Committee**

At the time of writing this report we have been made aware of the potential changes affecting the Standards regime as proposed in the Localism Bill. Whilst the original Bill proposed the abolition of the national Code of Conduct and most elements governing the establishment and work of the Standards Committee, current amendments being proposed through the Lords indicate a local Standards Committee may continue in some form. The current arrangements are in any case very likely to continue until the end of the financial year at least.

We are therefore content to recommend that the Special Responsibility Allowances for the Chair and Independent members of the Standards Committee continue at the rate we recommended last year.

### **Mileage and Expenses 2012/13**

The Panel note that Redditch Borough Council has used the HMRC flat rate for payment of mileage for Councillors (currently 45p per mile) and recommends that this continues.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

The Panel notes that the Council's Scheme of Members' Allowances provides that Dependant Carer Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

### **Allowances to Parish Councils**

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District.

This year the Panel has not been asked to make recommendations on any matters by any Parish. In the past the Panel which covered the three South Worcestershire Districts has considered travel and subsistence, and we consider it appropriate to apply this consideration to each of the Districts. We have reviewed the Parish Council travel and subsistence allowances and recommend for 2012 - 13 that no changes are made. This means that in Redditch we recommend that these payments should be made in accordance with the rates paid by the District Council and in accordance with the relevant Regulations.

The Panel also confirm that we will be happy to consider any formal requests from Parish Councils on allowances and each will be considered on its own merits.

### **The Independent Remuneration Panel**

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel (IRP). The purpose of the Panel is to make recommendations to the authority about allowances to be paid to Elected Members and Local Authorities must have regard to this advice. This Council's Independent Remuneration Panel is set up on a joint basis with the other 5 District Councils in Worcestershire, the decision having been taken during 2010 to follow the principle previously established by having a joint Panel in the South of the County. Separate Annual Reports have been prepared for each Council.

Initially the South Worcestershire Panel has carried out the work for the 6 Districts, while the Councils reviewed the size and operation of the Panel. The members of the Panel have been:

- Rob Key, the Chair of the Panel – Rob has 42 years' experience of working in District Councils in a variety of operational and management roles, including senior positions at Worcester City, Wychavon District and Wyre Forest District. He is an Independent Chair for the Strategic Health Authority for Continuing Care and sits on County Council Appeals Panels for School Preference Appeals and Service Complaints.
- Elaine Bell, JP, DipCrim – Elaine has been a Magistrate for 14 years, Day Chair of Adult and Family Courts; Chair of the Bench Training & Development Committee; past member of the Magistrates Advisory Panel (interviewing and selecting for appointment to the Bench). She is also a Governor of the Lloyds

Educational Foundation; Member of the Sytchampton School Appeals Panel; Hon Treasurer of Ombersley and Doverdale Tennis Club and a Past Governor of Ombersley Primary School.

- Bill Simpson JP MBE – Bill spent 30 years in Further Education culminating in 11 years as Principal of Pershore College. He then entered the private sector as Director of two national Horticultural Societies. He served as a magistrate for 9 years until retirement. He is Chairman of several charities including *Thrive* between 2001 and 2008.
- Terry Cotton - Terry spent 34 years working in central and local Government, mostly managing regeneration programmes across the West Midlands. Most recently he worked at The Government Office for The West Midlands where he was a Relationship Manager between central and local Government and a lead negotiator for local performance targets. Following voluntary early retirement in May 2011, he now works part-time setting up and running a community development trust in Birmingham's Jewellery Quarter. He is also a trustee of a small charitable trust providing grants to grass roots community initiatives in deprived communities.
- Don Barber – After several Human Resources and Productivity Improvement Management roles in Industry, Don became Chief Executive of a change management facilitating consultancy. Over the last 20 years he has been an independent consultant and advisor on a number of United Nations, European Commission, and World Bank transition projects, in particular in Europe, Africa, Asia, and Australasia. He also operates in an advisory role to other consultancy groups seeking EU contracts. This experience has included the development of national civil service/public sector reform programmes including aspects of the effect of legislative change for central and local government and, in the U.K., working for the Office of Manpower Economics (advisors to the Prime Minister) on Public Sector Pay, in particular relating to: Civil Service Pay Reform, UK Armed Forces and the Medical Professions.

The Reverend Prebendary Michael Vockins OBE retired from office during the year. We would like to pay tribute to his work and support during his term of office, particularly during the transition to a new Panel as it expanded its role from South Worcestershire to include all the District Councils in Worcestershire.

The Panel could not begin work on this year's report until the end of the summer. We appreciate that this has meant we have not been able to review each Council in as much detail as we would like. Our early understanding of the current situation across the Worcestershire Districts shows some differences between the level of allowances paid for similar roles. We have not been able to investigate the detail behind this in the time available to us this year. We have agreed that we will begin our research for our next Annual Report early in 2011 so that we can undertake an in depth review and complete our proposals by December in order to tie in with each Council's budget-making process.

The Panel has been advised and assisted by:

- Claire Chaplin and Doreen Porter from Worcester City Council;
- Sheena Jones from Wychavon District Council;
- Joanne Lowman from Malvern Hills District Council;
- Karen Firth from Bromsgrove District Council;
- Penelope Williams from Wyre Forest District Council;
- Trish Buckley and Ivor Westmore from Redditch Borough Council.

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner.

**Rob Key**

**Chairman of Independent Remuneration Panel**



## Redditch Borough Council – Allowance Recommendations 2012-13

## Appendix 1

<b>Redditch BC Current Position and Independent Remuneration Panel Recommendations for 2012-13</b>			
	<b>Current Multiplier of Basic Allowance</b>	<b>Recommendations for 2011/12 and unchanged for 2012/13</b>	<b>Actual for 2011/12</b>
<b>Basic Allowance:</b>		<b>3,350<sup>1</sup></b>	3,219
<b>Special Responsibility Allowances:</b>			
Leader/Chair of the Executive Committee plus currently also receives allowance as portfolio holder	2	<b>6,697</b>	6,438 plus <u>1,500</u> <u>7,938</u>
Deputy Leader/Vice-Chair of Executive Committee plus currently also receives allowance as portfolio holder	1.4	<b>4,687</b>	4,506 plus <u>1,500</u> <u>6,006</u>

<sup>1</sup> This figure takes into account a public service discount of 40%

<b>Redditch BC Current Position and Independent Remuneration Panel Recommendations for 2012-13</b>			
	<b>Current Multiplier of Basic Allowance</b>	<b>Recommendations for 2011/12 and unchanged for 2012/13</b>	<b>Actual for 2011/12</b>
Portfolio Holders/Executive Co Members (includes Exec Panel Chair role, includes Leader & Deputy as portfolio holders)	0.46	<b>1,560</b>	1,500
Other Executive Committee Members who are not portfolio holders (ie other political parties)	0.32	<b>1,072</b>	1,030
Chair of Executive Panel (if not a portfolio holder)	0.4	<b>1,340</b>	1,288
Chair of Overview and Scrutiny	0.6	<b>2,009</b>	1,931
Overview and Scrutiny members	0.32	<b>1,072</b>	1030
Chair of Audit and Governance Committee	0.25	<b>838</b>	none
Chair of Planning Committee	0.96	<b>3,214</b>	3,090
Chair of Licensing Committee	0.4	<b>1,340</b>	1,288
Independent Chair of Standards Committee	0.078	<b>261</b>	258

<b>Redditch BC Current Position and Independent Remuneration Panel Recommendations for 2012-13</b>			
	<b>Current Multiplier of Basic Allowance</b>	<b>Recommendations for 2011/12 and unchanged for 2012/13</b>	<b>Actual for 2011/12</b>
Independent Member of Standards Committee	0.03	<b>101</b>	100
Leaders of "Minority" Groups	0.31	<b>1,040</b>	1,000
Representative on Local Government Association and General Assembly	0.08	<b>269</b>	258
Representative on Local Government Association Rural Commission	0.08	<b>269</b>	258
Representative on Local Government Urban Commission	0.08	<b>269</b>	258
Representative on West Midlands Leaders Board ( <i>being wound up</i> )	0.08	<b>269</b>	258

## Appendix 2

<b>Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied “standard” multipliers</b>			
	<b>“Standard” Multipliers recommended by the Panel for Worcestershire Districts</b>	<b>Indicative amounts using recommended Basic allowance of £3,350</b>	<b>Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel</b>
Basic Allowance		3,350	4,200 <sup>2</sup>
<b>Special Responsibility Allowances:</b>			
Leader/Chair of the Executive Committee plus currently also receives allowance as portfolio holder	2.5	8,375 (No additional SRA)	10,500
Deputy Leader/Vice-Chair of Executive Committee plus currently also receives allowance as portfolio holder	1.5	5,025 (no additional SRA)	6,300

<sup>2</sup> This figure takes into account a public service discount of 40%

<b>Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied "standard" multipliers</b>			
	<b>"Standard" Multipliers recommended by the Panel for Worcestershire Districts</b>	<b>Indicative amounts using recommended Basic allowance of £3,350</b>	<b>Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel</b>
Portfolio Holders/Executive Co Members (includes Exec Panel Chair role, includes Leader & Deputy as portfolio holders)	1.5	5,025	6,300
Other Executive Committee Members who are not portfolio holders (ie other political parties)	-	-	-
Chair of Executive Panel (if not a portfolio holder)	-	-	-
Chair of Overview and Scrutiny	1.5	5,025	6,300
Overview and Scrutiny members	-	-	-
Chair of Audit and Governance Committee	0.25	838	1,050
Chair of Planning Committee	1	3,350	4,200

<b>Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied “standard” multipliers</b>			
	<b>“Standard” Multipliers recommended by the Panel for Worcestershire Districts</b>	<b>Indicative amounts using recommended Basic allowance of £3,350</b>	<b>Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel</b>
Chair of Licensing Committee	-	-	-
Independent Chair of Standards Committee	0.25	838	1,050
Independent Member of Standards Committee	-	-	-
Leaders of “Minority” Groups	-	-	-
Representative on Local Government Association and General Assembly	-	-	-
Representative on Local Government Rural Commission	-	-	-
Representative on Local Government Association Urban Commission	-	-	-

<b>Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied “standard” multipliers</b>			
	<b>“Standard” Multipliers recommended by the Panel for Worcestershire Districts</b>	<b>Indicative amounts using recommended Basic allowance of £3,350</b>	<b>Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel</b>
Representative on West Midlands Leaders Board	–	–	–





**EXECUTIVE  
COMMITTEE**

20th February 2012

**INITIAL ESTIMATES REPORT 2012/13, 2013/14 & 2014/15**

Relevant Portfolio Holder	Councillor Michael Braley, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	n/a
Key Decision	

**1. SUMMARY OF PROPOSALS**

This report presents the Estimates at Head of Service level, as well as any high priority bids (revenue and capital) which have been identified for 2012/13, 2013/14 and 2014/15.

**2. RECOMMENDATIONS**

The Committee is asked to **RECOMMEND** that

- 1) the high bids as identified in Appendix A be approved:

2012/13      £116,000  
2013/14      £101,000  
2014/15      £101,000;

- 2) the high capital bids as detailed in Appendix B be approved:

2012/13      £1,217,000  
2013/14      £1,586,000  
2014/15      £1,687,000;

- 3) the use of balances totalling £259,000 be approved;

- 4) Pay Policy Statement at Appendix D be approved;

- 5) it be noted that, if Members consider approving any medium priority bids these will be funded from revenue balances;

- 6) the retention by Redditch Cricket, Hockey and Rugby Club of the sum representing the refund on VAT on the grant funded works undertaken at their grounds in 2005/06 be approved and, in return, the Club agree to relieve the

**EXECUTIVE  
COMMITTEE**

20th February 2012

**Council's of its commitment to provide a sinking fund for the refurbishment/replacement of the all weather pitch (ATP) which will in future be the exclusive responsibility of the Club; and**

- 7) **the Head of Legal and Democratic Services be requested to prepare an agreement that brings 6), above, about.**

**3. KEY ISSUES****Budget Jury**

- 3.1 In 2011 a Budget Jury was run for a second time. The Budget Jury was designed to engage residents in the budget-setting process more effectively and involve them from the outset rather than consulting them at a stage when there was little opportunity for their input to be taken into account by senior officers and Members.
- 3.2 From July-October 2011 a series of four meetings was held with a single group of ten residents who were randomly selected. The Director of Resources, the Policy Manager and Policy Officer facilitated each Budget Jury meeting. The reasoning behind using the same participants throughout was to enable them to build up an understanding of the budget setting process and to provide them with the opportunity to articulate their concerns and specify their preferences for Council priorities/purposes, express support for and deliberate particular budget bids and have their questions answered at each stage. Feedback from the budget jury in the consideration of the bids is attached at Appendix C. Their feedback was also considered as part of the Strategic Purpose sessions at the end of last year.

**Overview and Scrutiny**

- 3.3 On 10th January 2012, a presentation was delivered on budget bids, where all Members were invited to attend. Members later recommended that the bid for an Energy Advisor be reclassified as High. This recommendation has since been adopted.

**Financial Implications****Base Budget Information**

- 3.4 The net expenditure for initial estimates for 2012/13 and projections for 2013/14 and 2014/15 are as follows:
- a) Base Budget for 2012/13 £11.058m

**EXECUTIVE  
COMMITTEE**

20th February 2012

b) Base Budget for 2013/14 £9.931m

c) Base Budget for 2014/15 £9.878m

The following assumptions have been made for the main elements of the budget:

Pay awards	0% all years
Energy Bills	10% per annum
Other costs	0% per annum
Council Tax	0% 2012/13 2.5% future years
Reduction in Govt Grants	5% per annum
Investment Interest	1.14%
Short-term borrowing	1.34%

3.5 Included in the base budget for each year is £350,000 savings relating to vacancy management. In addition there are significant savings to be realised in future years to enable services to be delivered despite the reduction in Grant Settlement.

3.6 Also included in the base budget is a reduction in income totalling £72K, this relates to ReddiCard, Golf Course and Car Parking. The income budgets in these areas were not sustainable.

**Government Grant**

3.7 The Formula Grant is simply a means of distributing Government grant. The system takes account of the relative needs of an area and the ability of the Council's areas to raise Council Tax using relative needs formulae to calculate grant payments. Redditch Borough Council's Formula Grant for 2012/13 is £4.212million.

3.8 For 2012/13 the Government, as part of the spending review, has encouraged local authorities not to increase Council Tax by offering the equivalent of a 2.5% increase to authorities that freeze or reduce Band D Council Tax. This will be the second year this grant is available so Redditch Borough Council has not increased Council Tax for 2 consecutive years.

3.9 The Council proposes to maintain the 2012/13 Band D Council Tax at the 2011/12 level to take advantage of the additional grant offered by the Government.

**EXECUTIVE  
COMMITTEE**

20th February 2012

- 3.10 It has been assumed in the 2013/14 and 2014/15 budget that there will be a further reduction of 5% on Government Grants received year on year.

Capital Programme

- 3.11 Appendix B details the Capital bids for 2012/13, 2013/14 and 2014/15 for General Fund. The Council already has a Capital Programme for 2012/13 for General Fund which totals £2.439 million to be funded from a mixture of Grants, sale of Assets and Prudential Borrowing. Any further approvals will need to be funded from Prudential Borrowing.

Overall Position

- 3.12 Based on the assumptions, proposed pressures and savings, the current position for each of the three years is as follows:

	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>
Base cost of General Fund Services	10,991	10,002	9,770
Pressures – High bids	116	101	101
Savings			
Revenue Implications to Capital Bids	-	133	133
Financing Charges	(357)	(357)	(357)
Superannuation	1,412	1,545	1,724
MRP	700	800	800
Capital charges reversed	(1,396)	(1,396)	(1,396)
Bad Debt Provision	50	50	50
Vacancy Management	(406)	(350)	(350)
Job Evaluation	248	(156)	(156)
New Homes Bonus	(308)	(450)	(450)
Parish Precept	8	9	9
<b>Net Expenditure</b>	<b>11,058</b>	<b>9,931</b>	<b>9,878</b>
Government Grant	(4,212)	(4,002)	(3,801)
Council Tax	(5,929)	(5,929)	(6,077)
Transfer from Reserves	(658)	-	-
Transfer from Balances	(259)	-	-
<b>Overall Shortfall</b>	<b>-</b>	<b>-</b>	<b>-</b>

The table shows a balanced position over the 3 year period. The assumption has been made that significant savings will be realised from shared services and transformation.

**EXECUTIVE  
COMMITTEE**

20th February 2012

- 3.13 The shortfall for 2012/13 of £259,000 is to be funded from General Fund Balances.

Council Tax Collection Fund

- 3.14 The Council is required to calculate the estimated position on the Collection Fund at the 31st 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.
- 3.15 This year there is not expected to be any surplus or deficit on the fund.

Balances

- 3.16 The General Fund revenue balances at the 31st of March 2011 was £1.564 million.

<b>General Fund balances</b>	<b>£'000</b>	<b>£'000</b>
As at 31st March 2011	1,564	
Allocations during the year (2011/12)	<u>(404)</u>	
		<u>1,160</u>
Allocation to meet shortfall for 2012/13		<u>(259)</u>
Available for allocation in future years		<u>901</u>

- 3.17 The Local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of financial reserves when consideration is given to the General Fund budget requirement for the year.
- 3.18 In February 2003 CIPFA published a guidance document on Local Authority Reserves and Balances. The guidance does not prescribe the minimum level of balances to be held but recommends that consideration is given to the strategic, operational and financial risks facing the authority. During the consultation on this document it was suggested that the recommended minimum should be 5% of net expenditure and this has been followed by a number of authorities.
- 3.19 5% for Redditch would mean maintaining balances at or around £650k. However, just a 1% variation in gross income and gross expenditure is equivalent to £746k which would result in a significant reduction in

**EXECUTIVE  
COMMITTEE**

20th February 2012

balances. The increased pressures on limited resources as demonstrated by the projected increases in formula grant, the increases in utility costs, and the fluctuations in income receipts and interest rates together with the impact of the economy on increased service demand may impact on the delivery of services within existing budgets over the 3 year period. In addition, there will be initial costs associated with the delivery of the longer term savings as a result of joint or shared service working. These costs could be funded from general fund balances if sufficient funds were available.

- 3.20 It is therefore considered, taking the above issues into account that a general fund revenue balance of £750k is a prudent minimum level.

Fees and Charges

- 3.21 Fees and Charges are proposed to be increased by 2.5%, they are included in a separate report to this meeting. The additional income from this is estimated to yield £75,000 for future years.

Local Government Act 2003

- 3.22 There are a number of requirements that the Council's Section 151 Officer (the Council's designated Senior Finance Officer) has to include in the budget report. These are set out below, together with S.151 comments on each of the issues:

- a) The level and use of reserves to be formally determined by the Council must be informed by the judgement and advice of the Chief Financial Officer (CFO).

*Section 151 Officer's comments: Review of general fund balances included above in report (4.17).*

- b) The CFO to report the factors that have influenced his/her judgement in the context of the key financial assumptions underpinning the budget, and ensure that his/her advice is formally recorded. Where that advice is not accepted, this should be formally recorded in the minutes of the meeting.

*Section 151 Officer's comments: The main assumptions included in the calculation of the budget are included within the report. The budget updates and considerations at previous Committee meetings have been formally recorded.*

- c) The report should include a statement showing the estimated opening balance on general fund reserves for the year ahead,

**EXECUTIVE  
COMMITTEE**

20th February 2012

any contribution to/from the fund, and the estimated closing balance.

*Section 151 Officer's comments: statement included in this report (4.17)*

- d) The report should show the extent to which reserves are financing ongoing expenditure.

*Section 151 Officer's comments: included in the report. Balances to fund 2012/13 only no further recommendations to finance ongoing expenditure.*

- e) The report should include a statement from the CFO on the adequacy of general reserves and provisions both for the forthcoming year and in the context of the medium term financial plan.

*Section 151 Officer Comments: the Council holds adequate reserves to manage future liability and financial constraints as detailed in 4.17.*

- f) The report should include a statement on the annual review of earmarked reserves showing:

- i) list of earmarked reserves
- ii) purpose of reserve
- iii) advice on appropriate levels
- iv) estimated opening / closing balances
- v) planned additions / withdrawals.

*Section 151 Officer's Comments: The current reserves are reported on a regular basis through the financial monitoring reports.*

Pay Policy

- 3.23 The Localism Act requires English and Welsh local authorities to produce a Pay Policy Statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31st March 2012 for the financial year 2012/13. The Pay Policy Statement for the Council is included at Appendix D.

**EXECUTIVE  
COMMITTEE**

20th February 2012

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3.24 The statement must set out policies relating to:

- (a) the remuneration of its chief officers,
- (b) the remuneration of its lowest-paid employees, and
- (c) the relationship between –
  - (i) the remuneration of its chief officers, and
  - (ii) the remuneration of its employees who are not chief officers.

Redditch Cricket, Hockey and Rugby Club

3.25 In 2005/06 the Council facilitated a significant programme of works at the Redditch Cricket, Hockey and Rugby Club which included grant funding from a number of sources. The grant conditions relating to the installation of the all weather pitch required the Council to establish a sinking fund for its future replacement. The financing arrangements for the whole project enabled the Club to claim a VAT refund in respect of this project amounting to £142,000. The Club have asked if they can retain this sum to spend on the pitch when the surface is due for refurbishment/replacement in return they will take on the Council's obligation to provide a sinking fund for this purpose.

**Legal Implications**

3.26 The Council has a legal responsibility to set a balanced budget under the Local Government Act 2003.

**Service/Operational Implications**

3.27 The delivery of a balanced budget demonstrates the Council's ability to fund objectives and priorities within a reasonable level of increase to residents.

**Customer / Equalities and Diversity Implications**

3.28 There were no implications identified.



**EXECUTIVE  
COMMITTEE**

20th February 2012

**4. RISK MANAGEMENT**

4.1 The main risks and the mitigating action is included in the table below:

Risk Identified	Proposed Measures
<ul style="list-style-type: none"> <li>• New Homes Bonus income not realised</li> </ul>	<ul style="list-style-type: none"> <li>• Officers have included a prudent level of income and will report progress on the consultation and changes to the scheme to members on a regular basis.</li> </ul>
<ul style="list-style-type: none"> <li>• Shared Services and Transformation Savings are not realised to the level anticipated</li> </ul>	<ul style="list-style-type: none"> <li>• Officers have a clear plan within the single business case to deliver shared service savings. Transformation of a number of services is currently underway to ensure further savings are realised.</li> </ul>
<ul style="list-style-type: none"> <li>• Employee related costs will be more than assumed</li> </ul>	<ul style="list-style-type: none"> <li>• Figures based on known commitments and estimated future costs. Any further pressures will need to be matched by additional identified savings.</li> </ul>
<ul style="list-style-type: none"> <li>• Pension fund contributions will be higher than expected after the next actuarial.</li> </ul>	<ul style="list-style-type: none"> <li>• The financial plan will continue to be reviewed and updated annually for a three year period, based on known changes.</li> </ul>
<ul style="list-style-type: none"> <li>• Planned budget reductions will not be achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of budgets will be carried out in each financial year. Alternative savings will be identified, or contingency arrangements agreed.</li> </ul>
<ul style="list-style-type: none"> <li>• Government Grant revised to greater /or less than anticipated</li> </ul>	<ul style="list-style-type: none"> <li>• The 2013/14 grant has been estimated and is reduced by 5% compared to 2012/13. This will be reviewed as clarity around future funding arrangements is available. Further efficiency savings will be identified to meet any shortfall in grant.</li> </ul>
<ul style="list-style-type: none"> <li>• Income from fees, charges and other sources will not be as high as planned.</li> <li>• Impact of recession has greater impact than first anticipated</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of income budgets will be carried out in each financial year. Alternative savings will be identified or alternative methods of service delivery to generate income will be developed</li> </ul>

**EXECUTIVE  
COMMITTEE**

20th February 2012

	<ul style="list-style-type: none"> <li>Income streams to be monitored monthly with service budget holders to identify any areas of shortfall and to present action plan to redress.</li> </ul>
<ul style="list-style-type: none"> <li>Timing of Capital payments may be earlier than estimated</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring of the timing and payments of capital expenditure/income will be carried out in each financial year. Alternative savings will be identified, or contingency arrangements agreed.</li> </ul>

**5. APPENDICES**

- Appendix A - Revenue Bids  
Appendix B - Capital Bids  
Appendix C - Budget Jury considerations  
Appendix D - Pay Policy

**6. BACKGROUND PAPERS**

Budget timetable.  
Budget Guidelines.  
Detailed budget working papers are available from Financial Services.

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**NEW REVENUE BIDS 2012/13 - 2014/15**

**APPENDIX A**

Department	Description	2012/13 £'000	2013/14 £'000	2014/15 £'000	H/M/L	Commentary
Planning and Regeneration	Redditch Town Centre Partnership	5	5	5	H	Money will enable the partnership to move forward with its priorities and recommendation from the O&S task group Promoting Redditch to enable a more vibrant town centre. Links to all 3 priorities.
Planning and Regeneration	Economic Developments and Regeneration Projects	10	10	10	H	£10,000 will form a match funding contribution towards concept feasibility for the Church Road site master planning. This will involve working with strategic partners including the HCA and Health Care Trust (Smallwood Health Centre) to explore the feasibility of development options for this key town centre site. Match funding will be sought from the partners for a multiplier effect.
Leisure	Options Appraisal - Service Delivery Model	15	-	-	H	Budget bid put forward in order to review potential models of service delivery to maximise current use of resources and future areas of growth. This will form the baseline data of any future service review and be used as an evidence base.
Leisure	Events Programme	20	20	20	H	5 promotional street theatre events will be hosted in and around local centres and the Town Centre throughout June, July & August and culminating in the a three day annual festival at Morton Stanley Park with a range of suitable live music, family activities and street entertainers. The additional funding will cover the increased cost and including licensing, staging and infrastructure provision as well as marketing & promotion and additional staffing costs.
Environmental	Resurfacing/patching works to potholes etc	2	2	2	H	Many of the RBC owned car parks are suffering wear and tear including pot holes and surface degradation, which causes a health and safety issue. There is a £3,000 budget allocated to the repair of RBC owned car parks however, assessments show that this is not sufficient (current budget years is over spent already) and that an additional £2,000 is required each year.
Environmental	Street Lighting	5	5	5	H	Members agreed a one year budget for the repair and maintenance of RBC owned street lights earlier this financial year as there was no budget for this work, however, this is required on an ongoing basis, otherwise we will not be able to maintain the xxx street lights owned by RBC around the borough.
Environmental	Public Footpath Repairs	50	50	50	H	This will enable us to continue with our on going program of footpath and paved surface improvements. These are to replace the old slabbed footpaths around our housing estates and replacing them with flexible surfaces which are better for disabled user we also add drop crossing and rationalize the footpaths we have.
Finance and Resources	Energy Advisor	6	6	6	H	The services of an energy adviser as a shared resource between both Councils ensure that consumption is routinely monitored, tariffs checked, energy saving equipment installed where appropriate etc as well as provided a knowledge base for the procurement of energy. This type of service has been used effectively in recent years on a savings sharing basis.
Leisure	Bus Service	3	3	3	H	This relates to the existing 61 bus service. The proposal is to add to the existing route, from Sainsburys to the Abbey. The funding will cover the additional costs incurred by the bus company. The rationale is to ensure residents can access the Abbey Stadium, as it is currently not on the main bus route. This includes residents without transport and with mobility issues. Members have asked for the usage of the service to be regularly monitored to ensure the additional revenue invested is worthwhile. Additionally they have asked if the costs can be offset by sponsorship from Sainsbury's although this will need to be investigated. The service will be advertised in the bus station and at the Abbey via leaflets/ posters etc.
		<b>116</b>	<b>101</b>	<b>101</b>		
Finance and Resources	Data analysis for procurement	6	6	6	M	The Council has previously has access to this type of resource via the West Midlands Efficiency Partnership but due to funding cuts this service is no longer available. The analysis is able through the analysis of data provide the Council will recommended areas for further investigation that a likely to result in cashable savings in terms of procurement.

**NEW REVENUE BIDS 2012/13 - 2014/15**

**APPENDIX A**

Department	Description	2012/13	2013/14	2014/15	H/M/L	Commentary

<b>TOTAL REVENUE BIDS</b>		<b>122</b>	<b>107</b>	<b>107</b>		
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## NEW CAPITAL BIDS 2012/13- 2014/15

## APPENDIX B

Department	Description	2012/13 £'000	2013/14 £'000	2014/15 £'000	Revenue Implications £'000	Savings identified £'000	H/M/L	Budget Jury	Commentary
Transformation	Replacement PC's	40	40	40	8		H	M	Replace obsolete PC equipment used by departments to deliver their service.
Transformation	Air conditioning	38			5		H	n/a	To install a new air conditioning back up system in server room.
Finance and Resources	improvement works to Public Buildings	250	250		13		H	M	The Council has a need as a responsible property owner and landlord to understand works to its portfolio of properties. These monies are used to enable the Council to fulfill this role.
Finance and Resources	Asbestos Surveys and removal	80			8		H	H	The Council has a statutory duty as a property owner to ensure that it maintain a register of asbestos present in its properties and also deals with an issues that arise with regards to the presence of asbestos. These monies will be used for the purpose of carrying out surveys as they become due and carrying out work to address any issues that arise.
Environmental	Vehicle Replacement	575	551	672	16		H	H	Annual programme includes Refuse Collection Vehicles, Vans and Plant including Dial A Ride Vehicles
Environmental	Security at Crossgates	50	20		5		H	H	Following a spate of break ins at Crossgates Depot, that have resulted in the loss of a significant amount of small plant and mowers (aprox £20k on the last occasion), a depot security group has been established and the crime risk survey that was done a number of years ago has been revisited. This has shown that whilst two sides of the depot have been fenced there is a need to replace a third length of fencing on the side of the depot (opposite the workshop offices) in addition there is a need to alarm the landscape stores which are where the majority of small plant is stored (please note all doors to these stores have been strengthened and upgraded). Phase two will be the conversion of the vehicle wash at Crossgates Depot is now redundant but it offers the opportunity to be converted to a safe storage facility for mowers and similar small plant that will strengthen the security of this equipment.
Environmental	Resurfacing Works	50			5		H	M	Resurfacing work at the entrance to Redditch United Football Ground.
Leisure	Morton Stanley Park Footpaths	25			3		H	L	Linked to condition survey and H&S issues. The condition of the pathways is deteriorating and require addressing.
Leisure	Arrow Vale Fitness Suites	72			8		H	L	To purchase 30 pcs eqpt for Arrow Vale Fitness Suite, due to the end of the contract on June 2012 with Competition Line. If we purchase eqpt and take back in house this will create additional income of £10k 1st yr (9 mths) 2012/13, onwards £14k.
Leisure	Kingsley Sports Centre	37			4		H	n/a	RBC Contribution to match Kingsley College contribution as part of a bigger project with Worcestershire County Council - this relates to a fit for purpose condition report to address priority fabric and structural issues with the Sports Facility. Estimates total project cost £1.90k
Community	Disabled Facilities Grant		575	575	38		H	n/a	Annual capital programme - including £300K Grant funding
Community	Lifeline Grant		150	150	21		H	n/a	Annual Capital Programme
<b>HIGH BIDS ONLY</b>		<b>1,217</b>	<b>1,586</b>	<b>1,687</b>	<b>133</b>	<b>0</b>			
Finance and Resources	Ledger/Income Management System	150			17		M	H	In order to provide an effective shared finance service for both Council the use of the same ledger system would deliver efficiencies both in terms of officer time but the quality of support provided to service users. In addition there is a need to upgrade/replace the Income Management system to meet the increase security requirements introduced by the banking industry.
Environmental	Resurfacing Works	20			2		M	M	The Council own a number of Car Parks around the Borough (within parks, residential and commercial areas) and a recent assessment of these has shown that there is a need to start an ongoing resurfacing programme to minimise the need for larger scale resurfacing in the future.
Leisure	Forge Mill Museum	7					M	L	Re-orientate the entrance to the visitor centre to ensure that all customers pass through the catering & re-sale offers. Estimated income per annum of £2k
<b>OTHER BIDS (MEDIUM &amp; LOW)</b>		<b>177</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>0</b>			
<b>TOTAL BIDS - CAPITAL</b>		<b>1,394</b>	<b>1,586</b>	<b>1,687</b>	<b>152</b>	<b>0</b>			

**APPENDIX B**

Department	Description	2012/13 £'000	2013/14 £'000	2014/15 £'000	Revenue Implications £'000	Savings identified £'000	H/M/L	Budget Jury	Commentary

**NEW REVENUE BIDS 2012/13 - Budget Jury**

Department	Description	2012/13 £'000	H/M/L	Commentary
Planning and Regeneration	Redditch Town Centre Partnership	5	M	Jurors feel this bid should be combined with following bid for various regeneration projects. There needs to be a clear plan – Jurors agree in principal that promotion is required.
Planning and Regeneration	Economic Developments and Regeneration Projects	10	H	Jurors would like more information on the projects but agree in principal that promotion of the Borough is required and would like to see more tourist / business projects
Leisure	Options Appraisal - Service Delivery Model	15	L	Jurors were sceptical of external company's undertaking a review (they have their own agendas) and feel this should be done in-house. Jurors would also like to know that there was a consensus from members before agreeing to this.
Leisure	Events Programme	20	M	Jurors agree the park is an asset and feel a promoter is probably a good option. They felt that £20,000 was too much- however the bid has evolved since they considered it. The Jurors want things to be kept local (which could be addressed by the proposed events in local centres) and think more income could be generated. What about a Redditch fringe?
Environmental	Resurfacing/patching works to potholes etc	2	H	Jurors felt this was essential.
Environmental	Street Lighting	5	H	Jurors felt this was essential as they were concerned with community safety.
Environmental	Public Footpath Repairs	50	n/a	Jurors considered a different bid on this issue (total resurfacing costs of £80k). They did rate the related bid on patching potholes as high (see above). They did feel that total resurfacing works should be no more than £50k, however.
Finance and Resources	Energy Advisor	6	H	This role would need to be cost effective – the cost should be offset by the savings.
Leisure	Bus Service	3	n/a	Jurors did not discuss this bid- however the importance of linked bus routes (including to Abbey Stadium) was a key issue for Jurors and relates to the priorities they set.
		<b>116</b>		
Finance and Resources	Data analysis for procurement	6	H	Jurors felt that effective procurement could save the Council money and make it more efficient.

<b>TOTAL REVENUE BIDS</b>	<b>122</b>
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# NEW CAPITAL BIDS 2012/13- Budget Jury

Department	Description	2012/13 £'000	H/M/L	Commentary
Transformation	Replacement PC's	40	M	Jurors felt that there is often a problem with everything PC related – things are very quickly obsolete. However, there is an understanding of the need to replace PC's and accept this is something that will be ongoing.
Finance and Resources	Improvement works to Public Buildings	250	M	Jurors felt that although this work is ongoing and currently deemed essential, that all spend should be challenged/checked to ensure value for money and that alternative arrangements should not be overlooked.
Finance and Resources	Asbestos Surveys and removal	80	H	Jurors felt this was essential.
Environmental	Vehicle Replacement	575	H	Jurors felt that is was better to replace on a rolling basis rather than all at once, but that the Council should look into staggering the purchases at the moment (safety permitting), and exploring alternative options.
Environmental	Security at Crossgates	50	H	As a one-off, the Jurors felt that £50k was acceptable. However, they did query additional spend on the storage area and why £50k would not be sufficient to improve security.
Environmental	Resurfacing Works	50	M	Jurors considered a different bid on this issue (total resurfacing costs of £80k). They did discuss the Redditch United issue specifically and asked whether other parties/users might also be liable for some costs? They did feel that total resurfacing works should be no more than £50k.
Leisure	Morton Stanley Park Footpaths	25	L	These works should only be carried out on grounds of health and safety. Have the Council received numerous complaints about the footpaths / claims for injury or damage? Could this be done with resurfacing/patching (see previous Capital bid/Revenue bids)?
Leisure	Arrow Vale Fitness Suites	72	L	As the suite is already making a profit is there really a need to purchase more equipment? Is there any mileage in leasing equipment – options appraisal?
Leisure	Kingsley Sports Centre	37	n/a	Jurors did not rank this bid as they felt it was unavoidable to pay the share of the costs to the County Council.
Community	Disabled Facilities Grant		n/a	Jurors did not discuss this bid.
Community	Lifetime Grant		n/a	Jurors did not discuss this bid.
<b>HIGH BIDS ONLY</b>		<b>1,179</b>		
Finance and Resources	Ledger/Income Management System	150	H	Jurors felt that it was important to keep both Redditch and Bromsgrove systems aligned to keep additional costs in staff time to a minimum.
Environmental	Resurfacing Works	20	M	Jurors considered a different bid on this issue (total resurfacing costs of £80k). They did feel that total resurfacing works should be no more than £50k.
Leisure	Forge Mill Museum	7	L	Jurors felt the museum was a good asset and as such is a high priority but feel the amount to improve the entrance is too high in the current economic climate – may be better as a bid next year. They also felt that the Museum needs better marketing.
<b>OTHER BIDS (MEDIUM &amp; LOW)</b>		<b>177</b>		
<b>TOTAL BIDS - CAPITAL</b>		<b>1,356</b>		



**REDDITCH BOROUGH COUNCIL**

**EXECUTIVE**

**COMMITTEE**

**Appendix D**

20th February 2012

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**REDDITCH BOROUGH COUNCIL  
PAY POLICY STATEMENT**

**Introduction and Purpose**

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2012 – 2013 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
  - a. the methods by which salaries of all employees are determined;
  - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
  - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

**Legislative Framework**

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favorable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

REDDITCH BOROUGH COUNCIL

**EXECUTIVE**

**COMMITTEE**

**Appendix D**

20th February 2012

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**Pay Structure**

5. The Council's current pay and grading structure comprises grades 1 – 6, S01 – S02, and M01 – M011. There are also grades for Head of Service 2, Head of Service 1, Director, Executive Director, Deputy Chief Executive and Chief Executive; all of which arise from the introduction of shared services with Bromsgrove District Council and which specifically accommodate the joint management team for shared services.
6. Within every grade there are a number of salary / pay points (spinal column points). Up to and including spinal column point 49 (at scale M04) the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. This current complete pay structure is set out below.

**REDDITCH BOROUGH COUNCIL****EXECUTIVE****COMMITTEE****Appendix D**

20th February 2012

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	4	11	12,145	14,733
2	11	13	14,733	15,444
3	14	17	15,725	16,830
4	18	21	17,161	19,126
5	22	25	19,621	21,519
6	26	28	22,221	23,708
SO1	29	31	24,646	26,276
SO2	32	34	27,052	28,636
MO1	34	37	28,636	30,851
MO2	38	41	31,754	34,549
M03	42	45	35,430	38,042
M04	46	49	38,961	41,616
M05	50	53	42,519	45,234
MO6	54	57	45,922	48,505
MO7	58	62	48,260	53,059
MO8	63	67	54,363	59,058
MO9	68	72	60,291	65,469
MO10	73	77	72,747	80,811
MO11	78	82	82,827	90,906

**REDDITCH BOROUGH COUNCIL****EXECUTIVE****COMMITTEE****Appendix D**

20th February 2012

Head of Service 2	Hay evaluated	50%	61,250	63,750
Head of Service 1	Hay evaluated	60%	73,500	76,500
Director	Hay evaluated	67%	82,000	85,000
Executive Director	Hay evaluated	72.5%	89,000	92,500
Deputy Chief Executive	Hay evaluated	80%	98,000	102,000
Chief Executive	Hay evaluated		122,500	127,500

7. All Council posts are allocated to a grade based on the application of a Job Evaluation process. Posts on grades 1 – 6, S01 – S02, and M01 – M011 (the majority of employees) are job evaluated under a different scheme to posts on grades Head of Service 2, Head of Service 1, Director, Executive Director, Deputy Chief Executive and Chief Executive. These latter posts are evaluated by an external assessor using the Hay Job Evaluation scheme. This scheme identifies the salary for these posts based on a percentage of Chief Executive salary. Where posts are identified as being potentially too 'large' and 'complex' for the majority scheme, they are double tested under the Hay scheme, and where appropriate, are taken into the Hay scheme to identify levels of pay.
8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. There have been no increases in the national pay spine since April 2009. There have been no increases to the pay rates for the Chief Executive or Chief Officers since April 2008.

**REDDITCH BOROUGH COUNCIL**

**EXECUTIVE**

**COMMITTEE**

**Appendix D**

20th February 2012

---

10. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
11. The Council is currently undergoing consultation with the unions to implement a new Job Evaluation scheme, along with a new pay and grading model. This will replace the current majority scheme. The intention is to implement this fully during 2012. This would not change the overall approach to remuneration as outlined above. The proposed revised pay and grading model can be found at *(insert hyper link)*
12. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
13. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band, which can be made subject to satisfactory performance.

**Senior Management Remuneration**

14. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1<sup>st</sup> April 2012.
15. Redditch Borough Council is managed by a senior management team who manage shared services across both Redditch Borough and Bromsgrove District Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils excluding the Head of Housing as this post does not provide support to Bromsgrove District Council and is therefore fully charged to Redditch Borough Council.

**REDDITCH BOROUGH COUNCIL****EXECUTIVE****COMMITTEE****Appendix D**

20th February 2012

<b>Title</b>	<b>% of Chief executive salary</b>	<b>Pay range (minimum)</b>	<b>Pay range (maximum)</b>	<b>Incremental points</b>	<b><i>Cost to Redditch Borough Council</i></b>
Chief Executive	100%	£122,500	£127,500	3	<i>£62,500</i>
Director of Leisure, Environment and Community Services. (Also Deputy Chief Executive / Executive Director (Council 'lead officer'))	80%	£98,000	£102,000	3	<i>£50,000</i>
Director of Planning and Regeneration, Regulatory and Housing Services	72.5%	£89,000	£92,500	3	<i>£45,375</i>
Director of Finance and Resources. (Also section 151 Officer and Council 'lead' officer)	72.5%	£89,000	£92,500	3	<i>£45,375</i>
Head of Housing Services	50%	£61,250	£63,750	3	<i>£31,250</i>
Head of Customer Services	50%	£61,250	£63,750	3	<i>£31,250</i>
Head of Planning and Regeneration	60%	£73,500	£76,500	3	<i>£37,500</i>
Head of Business Transformation	60%	£73,500	£76,500	3	<i>£37,500</i>

**REDDITCH BOROUGH COUNCIL****EXECUTIVE****COMMITTEE****Appendix D**

20th February 2012

Head of Legal, Equalities and Democratic Services	60%	£73,500	£76,500	3	£37,500
Head of Resources	60%	£73,500	£76,500	3	£37,500
Head of Environmental Services	60%	£73,500	£76,500	3	£37,500
Head of Leisure and Cultural Services	60%	£73,500	£76,500	3	£37,500
Head of Community Services	60%	£73,500	£76,500	3	£37,500

**Recruitment of Chief Officers**

16. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution (*insert hyperlink*). When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

17. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

**Performance-Related Pay and Bonuses – Chief Officers**

18. The Council does not apply any bonuses or performance related pay to its chief officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis.

**REDDITCH BOROUGH COUNCIL**

**EXECUTIVE**

**COMMITTEE**

**Appendix D**

20th February 2012

---

**Additions to Salary of Chief Officers ( applicable to all staff)**

19. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
- a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
  - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
  - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service.
  - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
  - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
  - f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
  - g. market forces supplements in addition to basic salary where identified and paid separately;
  - h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
  - i. attendance allowances.

**Payments on Termination**

20. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.



**REDDITCH BOROUGH COUNCIL**

**EXECUTIVE**

**COMMITTEE**

**Appendix D**

20th February 2012

---

21. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

22. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

**Publication**

23. Upon approval by the full Council, this statement will be published on the Council's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:

- a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
- b. Any bonuses so paid or receivable by the person in the current and previous year;
- c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
- d. Any compensation for loss of employment and any other payments connected with termination;
- e. Any benefits received that do not fall within the above.

**Lowest Paid Employees**

24. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1<sup>st</sup> April 2012, this is £12,145 per annum, (subject to the implementation of the revised job evaluation scheme and pay model).

25. The Council also employs Apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).

26. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

**REDDITCH BOROUGH COUNCIL**

**EXECUTIVE**

**COMMITTEE**

**Appendix D**

20th February 2012

---

27. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
28. The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee and the Chief Executive as [1:10.5] and; between the lowest paid employee and average chief officer as [1:5.8]. The multiple between the median (average) full time equivalent earnings and the [Chief Executive] **is** [1:6.7] and; between the median (average) full time equivalent earnings and average chief officer **is** [1:3.8].
29. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

**Accountability and Decision Making**

30. In accordance with the Constitution of the Council, the Executive Committee and Overview and Scrutiny Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

**EXECUTIVE  
COMMITTEE**

20th February 2012

**SETTING OF THE COUNCIL TAX 2012/13**

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

**1. SUMMARY OF PROPOSALS**

To enable members to set the level of Council Tax for 2012/13.

**2. RECOMMENDATIONS**

**2.1 The Committee is asked to RECOMMEND that**

- 1) the recommendations set out in Appendix 'Part C' of the report be approved.**

**3. KEY ISSUES**

3.1 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 2012/13.
- b) Part B The Collection Fund
- c) Part C Conclusions and recommendations

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

**Financial Implications**

3.3 The report details financial implications throughout.

**EXECUTIVE  
COMMITTEE**

20th February 2012

**Legal Implications**

- 3.4 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a council tax requirement for the year, not its budget requirement as previously. Chapter 14 of the Local Government Finance Act 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.
- 3.5 Billing Authorities must set the amounts of the tax before the 11th of March in the preceding financial year.
- 3.6 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.

**Service/Operational Implications**

- 3.7 This report consolidates the individual Heads of Service General Fund revenue estimates for 2012/13 which were presented to the Executive Committee during the current cycle of meetings.
- 3.8 The Council is required to set Council Tax each year, this forms part of the process of setting the following years budget. Failure to do so will result in the Council not being a Well Managed Organisation.

**Customer / Equalities and Diversity Implications**

- 3.9 There are no implications identified.

**4. RISK MANAGEMENT**

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 2012/13 before the 11th of March 2012.

**5. APPENDICES**

- Appendix A - Setting the Council Tax for 2012/13.
- Appendix B - The Collection Fund.
- Appendix C - Conclusions and Recommendations.

**EXECUTIVE  
COMMITTEE**

20th February 2012

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**6. BACKGROUND PAPERS**

Heads of Service Estimated Outturn reports 2012/13.  
Directorates' Estimates reports 2012/13.  
Calculation of the Council Tax Base - Council on the 16th January  
2012.  
Local Government Finance Settlement 2012/13.

**AUTHOR OF REPORT**

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REDDITCH BOROUGH COUNCIL

**EXECUTIVE  
COMMITTEE**

**Appendix A**

20th February 2012

---

**SETTING THE COUNCIL TAX FOR 2012/13**

**3. Background**

Sections 31A to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 provide for the calculation of a billing authority's Council Tax in accordance with specified formulae.

**4. Key Issues**

**4.1 Council Tax Requirement**

The Borough Council's recommended Council Tax Requirement for its own purposes is £5.776 million.

**4.2 Feckenham Parish Council Precept**

In calculating its Council Tax 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 2012/13 will be £8,300.

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

Amounts of RSG and NDR are also taken into account in the calculation of the Council Tax Requirement.

The Minister of State has announced that Redditch's RSG entitlement for 2012/13 will be £80,099

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 2012/13 has been set at £4,132,050.

REDDITCH BOROUGH COUNCIL

**EXECUTIVE  
COMMITTEE**

**Appendix A**

20th February 2012

---

4.4 Collection Fund Surplus

Under Sections 97(3) and 97(4) of the Local Government Finance Act 1988 any estimated surplus or deficit on the collection fund at the 31st of March 2012 is to be taken into account by the billing authority in calculating its Council Tax for the year beginning the 1st of April 2012. It is estimated that there will be no surplus or deficit at the 31st of March.

4.5 Collection Fund Tax Base

The Executive meeting on the 10th of January 2012 set the Council Tax Base for 2012/13 at 27,611.67 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 2012/13

This is prescribed by formulae contained in Sections 31B 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 2011/12 tax there is no increase.

The Council Tax Requirement has increased by 0.2%, whereas the external funding (RSG and redistributed NDR) provided by the Government has decreased by 10.3% when compared to the actual Formula Grant for 2011/12.



REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix A**

20th February 2012

**REDDITCH BOROUGH COUNCIL TAX BASE 2012/13**

	<b>Band A-</b>	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
Number of dwellings(on CTB return)		7,495	11,666	7,202	4,207
Valuation List changes during year		6	38	19	18
Exempt dwellings		-256	-224	-116	-61
Net disabled relief	13	36	-13	-9	-7
<b>Number of chargeable dwellings</b>	<b>13</b>	<b>7,281</b>	<b>11,467</b>	<b>7,096</b>	<b>4,157</b>
Number of dwellings entitled to 25% discount	5	4,185	3,838	1,954	897
Number of dwellings entitled to 50% discount		123	99	45	32
Number of dwellings entitled to no discount	8	2,973	7,530	5,097	3,228
Discount deduction	1.25	1,107.75	1,009.00	511.00	240.25
<b>Net chargeable dwellings</b>	<b>11.75</b>	<b>6,173.25</b>	<b>10,458.00</b>	<b>6,585.00</b>	<b>3,916.75</b>
Ratio to Band D	5/9	6/9	7/9	8/9	1
<b>Relevant Amount (Band D equivalent)</b>	<b>6.53</b>	<b>4,115.50</b>	<b>8,134.00</b>	<b>5,853.33</b>	<b>3,916.75</b>

	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Total</b>
Number of dwellings	3,116	1,122	429	20	35,257
Valuation List changes during year		1			82
Exempt dwellings	-18	-14	-6		-695
Net disabled relief	-3	-12	-1	-4	0
<b>Number of chargeable dwellings</b>	<b>3,095</b>	<b>1,097</b>	<b>422</b>	<b>16</b>	<b>34,644</b>
Number of dwellings entitled to 25% discount	441	148	38	1	11,507
Number of dwellings entitled to 50% discount	21	9	16	1	346
Number of dwellings entitled to no discount	2,633	940	368	14	22,791
Discount deduction	120.75	41.50	17.50	0.75	3,049.75
<b>Net chargeable dwellings</b>	<b>2,974.25</b>	<b>1,055.50</b>	<b>404.50</b>	<b>15.25</b>	<b>31,594.25</b>
Ratio to Band D	11/9	13/9	15/9	18/9	
<b>Relevant Amount (Band D equivalent)</b>	<b>3,635.19</b>	<b>1,524.61</b>	<b>674.17</b>	<b>30.50</b>	<b>27,890.58</b>
			Collection rate		99.00%
			<b>Tax base</b>		<b>27,611.67</b>

REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix A**

20th February 2012

**Calculation of the Council Tax 2012/13****Stage 1 - Calculation of tax for Band D assuming no parish area (Section 31(B)(1) Local Government Act 1992)**

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

Where: R = Council Tax Requirement

T = Council Tax base

$$\frac{\underline{\pounds 5,784,189}}{27,611.67}$$

= **£209.4835 (Basic Amount of 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 Amount of Tax

A = Parish Precepts

T = Tax base

$$\pounds 209.4835 - \frac{\underline{\pounds 8,300}}{27,611.67}$$

= **£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

$$\pounds 209.1829 + \frac{\underline{\pounds 8,300}}{363.60}$$

= **£232.0102**

REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix A**

20th February 2012

**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

<b>Band</b>	<b>Proportion</b>	<b>Redditch</b>	<b>Feckenham</b>
<b>A</b>	<b>6/9</b>	<b>£139.46</b>	<b>£154.67</b>
<b>B</b>	<b>7/9</b>	<b>£162.70</b>	<b>£180.45</b>
<b>C</b>	<b>8/9</b>	<b>£185.94</b>	<b>£206.23</b>
<b>D</b>	<b>1</b>	<b>£209.18</b>	<b>£232.01</b>
<b>E</b>	<b>11/9</b>	<b>£255.67</b>	<b>£283.57</b>
<b>F</b>	<b>13/9</b>	<b>£302.15</b>	<b>£335.13</b>
<b>G</b>	<b>15/9</b>	<b>£348.64</b>	<b>£386.68</b>
<b>H</b>	<b>18/9</b>	<b>£418.37</b>	<b>£464.02</b>



REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix B**20th February 2012

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**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 2012/13 in February 2012.
- 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 £28.690million 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 2011/12.
- d) The Police Authority require £4.935million from taxpayers in Redditch. The Police have set a Council Tax of £178.72 for a Band D property, a zero increase on 2011/12.
- e) The Hereford and Worcester Fire & Rescue Authority require £2.033million 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 2011/12.

REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix B**

20th February 2012

<b>Summary of demands on Collection Fund 2012/13</b>	
<b>Precept/demand</b>	<b>£'000</b>
Worcestershire County Council	28,690
Redditch Borough Council	5,784
West Mercia Police Authority	4,935
Hereford and Worcester Fire & Rescue Service	2,033
<b>Total demand on Collection Fund</b>	<b>41,442</b>

4.2 Collection Fund balance

- a) The Council is required to calculate the estimated position on the Collection Fund at the 31st of March 2012. 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) It is estimated that the Collection Fund balance at 31st of March 2012 will be zero.

REDDITCH BOROUGH COUNCIL

**EXECUTIVE  
COMMITTEE**

**Appendix C**

20th February 2012

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**RECOMMENDATIONS**

The Committee is asked to **RECOMMEND** that

- 1) **it be noted that at its meeting on the 16th of January 2012 Council calculated the following amounts for the year 2012/13 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:**
  - a) **27,611.67**

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 – 363.60**

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 2012/13 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:**
  - a) **£ 71,045,020**

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account the precept issued by Feckenham Parish Council.

**(2012/13 Gross General Fund Expenditure)**
  - b) **£65,260,831**

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

**(2012/13 Gross General Fund Income)**
  - c) **£5,784,189**

being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year.

**(2012/13 Council Tax Requirement)**

REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix C**

20th February 2012

d) **£209.48**

being the amount at 2 (c) above divided by the amount at 1 (a) above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of Council Tax for the year (including parish precept).

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

e) **£8,300**

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

**(Feckenham Parish Precept)**

f) **£209.18**

being the amount at 2(d) above less the result given by dividing the amount at 2(e) above by the amount at 1(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)**

g) **£232.01**

being the amount given by adding to the amount at 2(f) above, the amount of the special item relating to the Parish of Feckenham, divided by the amount in 1(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)**



REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix C**

20th February 2012

h)

Valuation Band	Proportion of Band D tax paid	Part of Council's area	
		Parish of Feckenham	All other parts of the Councils area
<b>A</b>	6/9	<b>£154.67</b>	<b>£139.46</b>
<b>B</b>	7/9	<b>£180.45</b>	<b>£162.70</b>
<b>C</b>	8/9	<b>£206.23</b>	<b>£185.94</b>
<b>D</b>	1	<b>£232.01</b>	<b>£209.18</b>
<b>E</b>	11/9	<b>£283.57</b>	<b>£255.67</b>
<b>F</b>	13/9	<b>£335.13</b>	<b>£302.15</b>
<b>G</b>	15/9	<b>£386.68</b>	<b>£348.64</b>
<b>H</b>	18/9	<b>£464.02</b>	<b>£418.37</b>

being the amounts given by multiplying the amounts at 2(f) and 2(g) 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;

REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE****Appendix C**

20th February 2012

- 3) it be noted that, for the year 2012/13, 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
<b>A</b>	6/9	£692.71	£119.15	£49.10
<b>B</b>	7/9	£808.16	£139.00	£57.28
<b>C</b>	8/9	£923.61	£158.86	£65.46
<b>D</b>	1	£1,039.06	£178.72	£73.64
<b>E</b>	11/9	£1,269.97	£218.44	£90.01
<b>F</b>	13/9	£1,500.87	£258.15	£106.38
<b>G</b>	15/9	£1,731.77	£297.87	£122.74
<b>H</b>	18/9	£2,078.13	£357.44	£147.28

- 4) having calculated the aggregate in each case of the amounts at 2(h) and 3 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 2012/13 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
<b>A</b>	6/9	£1,015.63	£1,000.42
<b>B</b>	7/9	£1,184.89	£1,167.14
<b>C</b>	8/9	£1,354.16	£1,333.87
<b>D</b>	1	£1,523.43	£1,500.60
<b>E</b>	11/9	£1,861.99	£1,834.09
<b>F</b>	13/9	£2,200.53	£2,167.55
<b>G</b>	15/9	£2,539.06	£2,501.02
<b>H</b>	18/9	£3,046.87	£3,001.22

- 5) the level of General Fund balances to be utilised in 2012/13 be £258,945;
- 6) the Council's basic amount of Council Tax for 2012/13 is not excessive in accordance with the principles determined for the year by the Secretary of State under Section 52ZB Local Government Act 1992.