



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 22ND FEBRUARY 2012, AT 6.00 P.M.

THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

SUPPLEMENTARY DOCUMENTATION

The attached papers were tabled at the above mentioned meeting.

4. Recommendations from the Special Cabinet Meeting held on 22nd February 2012 (Pages 1 - 2)
 - Medium Term Financial Plan 2012/13 – 2013/14 (The Budget)
 - Treasury Management Strategy Statement and Investment Strategy 2012/13 – 2014/15
5. Council Tax 2012/13 (Pages 3 - 8)

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
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23rd February 2012

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CABINET

RECOMMENDATIONS TO THE COUNCIL

22ND FEBRUARY 2012

1. MEDIUM TERM FINANCIAL PLAN 2012/2013 – 2014/2015

The Cabinet has considered the details of the Medium Term Financial Plan including the budget allocation for revenue and capital during the period 2012/2013 to 2014/2015.

It is therefore RECOMMENDED:

- (a) that the revenue bids identified as high in Appendix A of the report be included within the Medium Term Financial Plan as follows:

2012/13	£78,000
2013/14	£43,000
2014/15	£43,000

- (b) that the savings and additional income identified in Appendix B of the report be included within the Medium Term Financial Plan as follows:

2012/13	£814,000
2013/14	£1,549,000
2014/15	£2,282,000

- (c) that the capital bids identified as high in Appendix C of the report be included within the Medium Term Financial Plan as follows:

2012/13	£631,000
2013/14	£3,526,000
2014/15	£5,253,000

- (d) that the use of balances totalling £113,000 for 2012/13 be approved;

- (e) that the Pay Policy as set out in Appendix E be approved.

2. TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2012/13 - 2014/15

The Cabinet has considered a report on a Treasury Management Strategy Statement and Investment Strategy 2012/13 - 2014/15.

It is therefore RECOMMENDED:

- (a) that the Treasury Management Strategy Statement and Investment Strategy 21012/13 - 2014/15 and Prudential Indicators set out in Appendix 1 be approved;
- (b) that the Authorised Limit for borrowing at £7,500,000 if required be approved;
- (c) that the maximum level of investment to be held within each organisation (i.e. Bank or Building Society) be set as detailed at £3,000,000 subject to market conditions;
- (d) that the unlimited level for investment in Debt Management Account Deposit Facility be approved; and
- (e) that the Treasury Management Policy as set out in Appendix 2 be approved.

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Revenue Budget and Council Tax Setting 2012/13

REPORT OF THE EXECUTIVE DIRECTOR FINANCE & RESOURCES

1.0 PURPOSE

To seek approval of the appropriate formal resolutions to determine the levels of Council Tax for Bromsgrove District Council for 2012/13. The levels of tax take account of the requirements of Bromsgrove District Council, Worcestershire County Council, the West Mercia Police Authority, Hereford and Worcester Fire & Rescue Authority and the various Parish Councils.

2.0 BACKGROUND

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.

3.0 PRECEPTS AND LEVIES

Details have been received from the various precepting bodies to enable the Council to set the Council Tax for 2012/13. The amounts of the precepts are set out below:

	£
Worcestershire County Council	38,075,279
West Mercia Police Authority	6,548,991
Hereford & Worcester Fire & Rescue Authority	2,698,539.90
Bromsgrove District Council	7,066,768
Parish precepts	670,549
Total	55,060,126.90

The Parish Council Precepts for 2012/13 are detailed in the attached **Schedule 3**.

4.0 INFORMATION

Based on the recommendation from Cabinet, it is now necessary to formally set Council Tax levels throughout the area for the spending requirements of Bromsgrove District Council, Worcestershire County Council, the West Mercia Police Authority, Hereford and Worcester Fire & Rescue Authority and the various Parish Councils. If the Council approves the recommendations set out below the average band D Council Tax in 2012/13 will be £1,502.57, made up as follows:

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Authority	2011/12 £	2012/13 £	Increase %
Bromsgrove District Council	192.85	192.85	0.00
Worcestershire County Council	1,039.06	1,039.06	0.00
West Mercia Police Authority	178.72	178.72	0.00
Hereford & Worcester Fire & Rescue	73.64	73.64	0.00
Parish Councils (Average)	18.17	18.30	0.72
Total Council Tax	1,502.44	1,502.57	0.01

The % increases all relate to the change from current year levels.

Council Tax for all the major preceptors, including Bromsgrove District Council, has been frozen for a second year at 2010/11 levels. The average increase in overall bills represents a range from -0.07% to +0.10% depending on variations in parish council spending and precepts.

The necessary formal resolutions are set out below.

The Council is recommended to resolve as follows:

1. that it be noted at its meeting on 7 December 2011 the Executive Cabinet calculated the Council Tax Base 2012/13
 - (a) for the whole Council area as 36,643.86 [Item T in the formula in Section 31B of the Local Government Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates the amounts as shown in Column 4 of the attached **Schedule 1**.
2. that
 - (i) the Council determines the level of Council Tax discount to be applied to second homes as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 for
 - (a) Class A be set at 10%
 - (b) Class B be set at 10%
 - (ii) the Council determines to reduce or remove the Council Tax discount that is applied to long term empty properties defined as Class C to 0% - no discount.
 - (iii) these powers are delegated to the Executive Director Finance & Resources and the Revenues Services Manager to award case by case discounts or exemptions.

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3. Calculate the Council Tax requirement for the Council's own purposes for 2012/13 (excluding Parish precepts) is £7,066,768
4. That the following amounts be calculated for the year 2012/13 in accordance with sections 31 to 36 of the Act:
 - (a) £36,884,203 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 all precepts issued to it by Parish Councils) (*i.e. Gross expenditure*)
 - (b) £29,146,886 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. (*i.e. Gross income*)
 - (c) £7,737,317 being the amount by which the aggregate of 3 (a) above exceeds the aggregate at 3 (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £211.15 being the amount at 3 (c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £670,549.00 being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act (as per the attached **Schedule 3**).
 - (f) £192.85 being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1 (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
 - (g) the amounts shown in Column 3 of **Schedule 1**. These are the basic amounts of the council tax for the year for dwellings in those parts of the Council's area shown in Column 1 of the schedule respectively to which special items relate, calculated by the Council in accordance with Section 34(3) of the Act. (District and Parish combined at Band D).
 - (h) The amounts shown in Column 5 of **Schedule 1** being the amount given by

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Revenue Budget and Council Tax Setting 2012/13

multiplying the amounts at 4(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 dwellings listed in different valuation bands;

5. It be noted that for the year 2012/13 Worcestershire County Council, West Mercia Police Authority and Hereford and Worcester Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwelling in the Council's area as indicated below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Worcestershire County Council	692.71	808.16	923.61	1039.06	1269.97	1500.87	1731.77	2078.13
West Mercia Police Authority	119.15	139.00	158.86	178.72	218.44	258.15	297.87	357.44
Hereford and Worcester Fire and Rescue Authority	49.09	57.28	65.46	73.64	90.01	106.37	122.74	147.28

6. Having calculated the aggregate in each case of the amounts at 4(h) and 5 above, that Bromsgrove District Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 hereby sets the amounts shown in **Schedule 2** as the amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings.

7. That the Executive Director Finance & Resources be authorised to make payments under Section 90(2) of the Local Government Finance Act 1988 from the Collection Fund by ten equal installments between April 2012 to March 2013 as detailed below:

	Precept £	Surplus on Collection Fund £	Total to pay £
Worcestershire County Council	38,075,279	525,388	38,600,667
West Mercia Police Authority	6,548,991	90,367	6,639,358
Hereford & Worcester Fire	2,698,539.90	37,237	2,735,776.90

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8. That the Executive Director Finance & Resources be authorised to make transfers under Section 97 of the Local Government Finance Act 1988 from the Collection Fund to the General Fund the sum of £7,844,014.00 being the Council's own demand on the Collection Fund (£7,066,768), Parish Precepts (£670,549.00) and the distribution of the Surplus on the Collection Fund (£106,697).
9. That the Executive Director Finance & Resources be authorised to make payments from the General Fund to the Parish Councils the sums listed on **Schedule 3** by two equal instalments on 1 April 2012 and 1 October 2012 in respect of the precept levied on the Council.
10. That the above resolutions 4 to 6 be signed by the Chief Executive for use in legal proceedings in the Magistrates Court for the recovery of unpaid Council Taxes.
11. Notices of the making of the said Council Taxes signed by the Chief Executive are given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

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