



General Purposes Committee

Tuesday, 25 January 2011 at 7.00 pm

Committee Room 4, Brent Town Hall, Forty Lane,
Wembley, HA9 9HD

Membership:

Members

Councillors:

John (Chair)
Butt (Vice-Chair)
Beswick
Brown
Long
Lorber
Matthews
J Moher
HB Patel
Thomas

first alternates

Councillors:

McLennan
Jones
Arnold
Beck
Adeyeye
Leaman
Sneddon
Chohan
Colwill
Van Kalwala

Second alternates

Councillors:

Mistry
Kabir
Mrs Bacchus
Sneddon
Al-Ebadi
Castle
Allie
S Choudhary
BM Patel
Aden

For further information contact: Joe Kwateng, Democratic Services Officer
020 8937 1354, joe.kwateng@brent.gov.uk

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www.brent.gov.uk/committees

The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members

Item Page

1 Declarations of personal and prejudicial interests

Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.

2 Minutes of the previous meeting 1 - 4

3 Matters arising (if any)

4 Deputations (if any)

5 Calculation of Council Tax Base 2011/12 5 - 12

Wards Affected: All Wards; **Contact Officer:** Clive Heaphy, Director of Finance and Corporate Services

Tel: 020 8937 1424

clive.heaphy@brent.gov.uk

6 Appointments to Sub-Committees / Outside Bodies

7 Any Other Urgent Business

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.



Please remember to **SWITCH OFF** your mobile phone during the meeting.

- The meeting room is accessible by lift and seats will be provided for members of the public.
- Toilets are available on the second floor.
- Catering facilities can be found on the first floor near The Paul Daisley Hall.
- A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge



LONDON BOROUGH OF BRENT

MINUTES OF THE GENERAL PURPOSES COMMITTEE

Tuesday, 7 September 2010 at 6.30 pm

PRESENT: Councillor Butt (Vice-Chair in the Chair) and Councillors Beswick, Lorber, J Moher, Colwill (alternating for H B Patel) and Van Kalwala (alternating for Thomas)

Apologies were received from: Councillors John, Brown, Long, Matthews, HB Patel and Thomas

1. **Declarations of personal and prejudicial interests**

None

2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on Wednesday 11 August 2010 be approved as an accurate record of the meeting.

3. **Matters arising (if any)**

None

4. **Deputations (if any)**

None

5. **Pension arrangement for staff transferred between contractors**

On the 27 September 2007, the General Purposes Committee agreed the council's policy in respect of pension arrangements for staff transferred to provide contracted services to the council. Before the committee was a report asking members to consider an amendment to this policy which was intended to bring about cost savings and clarity for bidders.

Andrew Gray (Pensions Manager) explained that the council policy adopted for second and subsequent generation outsourcings required the contractor to ensure that there was made available to former council employees either access to the LGPS or an alternative pension scheme at least broadly comparable to the LGPS. However, the 2007 Direction, issued by the Secretary of State for Communities and Local Government, stipulated that transferred staff should have access to a pension scheme that was broadly comparable to the scheme offered by the incumbent. Andrew Gray explained that current council policy therefore imposed a more

stringent requirement than that imposed by the 2007 Direction. This, he reported, meant it was likely that some bidders would have to increase their contract cost to accommodate the enhanced pension protection. To avoid these additional costs and to ensure that the procurement process runs more smoothly, Andrew Gray explained that members were being asked to agree an amendment, as set out in paragraph 3.6 of the report, which would mean that for second and subsequent generation outsourcing, rather than the new contractor being required to ensure that staff as a minimum have access to a broadly comparable pension scheme provided by the LGPS, they would be required to provide a scheme which was at least broadly comparable to the pension scheme provided by their current employer.

In the discussion which followed, Mick Bowden (Deputy Director of Finance and Corporate Resources) reiterated that the amendment would ensure value for money for the council and a simplification of the procurement process. He added that no individual would be worse off than they were before the transfer as the new contractor would be required to provide a pension scheme which was either comparable to or which counted as better than the pension scheme made available to the individual by their current employer. Following a query, Andrew Gray stated that a contract which the council entered into with a new contractor would require that the pension arrangements be upheld for the duration of the contract.

RESOLVED:-

that the amendment to the council's policy, as set out in paragraph 3.6 of the report, concerning the pension arrangements for former council staff who transfer pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 from an existing contractor providing services to the Council to a successor contractor be agreed.

6. Stopping Up Order, South Kilburn Site 3C, Carlton Vale/Kilburn Park Road

Phil Rankmore (Civil Engineer Manager, Transportation Unit) introduced a report which was seeking authorisation to make a Stopping-up order for areas of public highway at the junction of Carlton Vale/Kilburn Park Road under section 247 Town and Country Planning Act 1990, in order to carry out the development of 133 dwellings at site 3C of the South Kilburn regeneration area. He reported that the Stopping-up order had been advertised in accordance with the requirements of Section 247. He drew the committee's attention to the objection which had been received from the City Commissioner of Transportation on behalf of the City of Westminster. Phil Rankmore reported that the Mayor of London had considered the objection and resolved that an inquiry was not required and that the council could proceed to make the Stopping-up order.

Having considered the information before them, the committee agreed the recommendations as set out in the report.

RESOLVED:-

- i) that it be noted that a Stopping-up order was advertised in accordance with the requirements of section 247, and the one objection received was referred

to the Mayor of London, who resolved that an inquiry was not required and that Brent Council could proceed with the Order;

- ii) that the Stopping-up order under S247 Town and Planning Act be approved and duly made and advertised.

7. Appointments to Sub-Committees / Outside Bodies

None

8. Any Other Urgent Business

None


9. Date of next meeting

It was noted that the next scheduled meeting of the committee is on 25 January 2011 but that additional meetings will be convened if business requires this.

The meeting closed at 6.44 pm

M Butt
Vice-Chair in the Chair

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	<p style="text-align: center;">General Purposes Committee 25 January 2011</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For Action	Wards Affected: ALL
Calculation of Council Tax Base 2011/12	

1. Summary

- 1.1 This report sets out council tax base calculations to be used for 2011/12. The level of council tax base set is used in the calculation of the council tax for 2011/12. Regulations require that the council tax base is set by 31st January prior to the start of the financial year.

2. Recommendations

2.1 To agree that:

- (i) The collection rate for the council tax for 2011/12 is set at 97.5%.
- (ii) In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, the amount calculated by the council as its council tax base for 2011/12 is set at **97,252**.

3. DETAIL

3.1. Background

- 3.1.1. The calculation of the tax base is one of the main stages in the process of setting the council tax, which is scheduled for the Council Meeting on 1 March 2011. Under regulations issued in 1992, the calculation must be carried out by 31st January prior to the start of the financial year
- 3.1.2. The calculation is based on the council tax base return submitted to the Department of Communities and Local Government in October 2010 (attached as Appendix A), which is used in Government grant calculations. For 2011/12 the tax base used in grant calculations is 99,486 Band D equivalent properties.
- 3.1.3 This tax base assumes 100% collection of council tax. In practice, councils collect less than 100% for a variety of reasons including non-collection of

council tax and changes to the council tax base during the year. The council tax base set by the council takes account of likely collection rates, based on what is expected to be collected eventually, not just by the end of the financial year in question.

- 3.1.4 Any adjustment to the tax base figure will have an effect on the precept from the GLA (i.e. if the tax base figure increases, then the precept from the GLA would increase accordingly – currently the GLA precept accounts for 22.6% of the total council tax bills in Brent).

3.2 Council Tax Collection Rate

- 3.2.1 Since 2001/02 the council's collection rate has been set at 97.5% as an assessment of the amount to be collected for the relevant year. For more recent years there is still a considerable way to go to reach 97.5% ie council tax collected by the end of December 2010 in respect of 2006/07 is 95.4%, 2007/08 is 96.6%, 2008/09 is 96.9%, and 2009/10 is 97.8%. Therefore apart from 2009/10 the collection is still considerably short of the 97.5% requirement. These percentages relate to the percentage of the budget requirement rounded up to 100% (from the 97.5% collection assumption). This is not the same as the collection percentage measured against the net collectable debit (as in 3.2.3. below), as this is affected by new assessments, exemptions discounts and Council Tax Benefit. The 2009/10 figure is boosted by a large number of properties having come in to rating after the tax base figure for the year was calculated, thereby increasing the collectable figure. This has been repeated to a lesser extent in 2010/11, but it cannot be assumed that this will be repeated in future years.

- 3.2.2 In-year collection levels have improved in recent years from 93.2% in 2006/07 to 94.6% in 2007/08, 94.7% in 2008/09 and 95.0% in 09/10. By the end of December 2010, 84.4% of 2010/11 council tax had been collected compared to an equivalent figure of 83.6% in 2009/10. Part of this increase is due to a large increase in the total figure of Council Tax Benefit awarded, which boosts the percentage recovery rate.

- 3.2.3 Levels of collection are not only affected by non-payment but also by changes to the collectable amount during the course of the financial year (and after). These changes are due to fluctuations in the number of single person households in receipt of a 25% discount (currently 37,483 properties) as well as exemptions and valuation reductions due to appeals. The total collectable has tended to fall during the course of most years, due to additional exemptions and discounts. There has been a considerable increase in 2009/10 and 2010/11 to date, due to new properties coming in to rating, but with the recession affecting new house building, this is less likely to happen in the near future.

- 3.2.4 If an over-optimistic assumption of the achievable collection rate is made, at some later stage a deficit in the Collection Fund will have to be declared, resulting in the need to increase the level of Council Tax in that year. The Council's external auditors have paid close attention to collection assumptions

in the past, and would be unlikely to accept an over-optimistic assumption for 2011/12.

- 3.2.5 As a comparison with other London boroughs, the average collection rate used for tax base setting purposes for 2010/11 was 97.08%, with a range from 94.0% to 98.9%. Twelve boroughs set a collection rate higher than Brent, three the same and seventeen lower. This would indicate the 97.5% collection rate used in Brent is consistent with comparable London authorities.
- 3.2.6 It is therefore recommended that the Council Tax collection rate be set at 97.5%.

3.3 Discounts for Second Homes and Long-Term Empty Properties

- 3.3.1 Empty properties are fully exempt from council tax for six months. After this period they are classified as long-term empty.
- 3.3.2 Local authorities have the power to reduce the discount for long term empty furnished properties and second homes from 50% to 10%. For these properties, the Council can keep the additional income raised (shared with the GLA as preceptor). At full Council in January 2004, Members agreed to set the discount for these properties in Brent at 10%. The difference between the 50% discount assumed in the council tax base return for these properties and the 10% discount set by Members can be added to the overall council tax base. There are currently 611 such properties (650 Band D equivalent). The overall impact on the number of Band D equivalent properties in 2010/11 is to increase it by 260 (40% of 650)
- 3.3.3 For long term empty unfurnished properties, the discount can be reduced to zero, and this was agreed by full Council in January 2008. This is taken in to account in the DCLG tax base calculation.

3.4 Setting the Council Tax Base

3.4.1 The tax base for 2011/12 is as follows:

- Band D equivalent properties on the return to the DCLG (attached as Appendix A = 99,486);

Plus

- 260 (being the impact of adding back 40% of the value of second and long term empty furnished properties at Band D equivalent

multiplied by:

- The estimated rate of collection (97.5%)

3.4.2 This produces the following calculation:

$$(99,486 + 260) \times 97.5\% = 97,252$$

This compares to a figure of 96,457 in 2010/11. The increase of 795 (0.82%) is due to an increase of 722 in the number of dwellings on the valuation list, together with some changes in the numbers of exemptions and single person discounts.

4 FINANCIAL IMPLICATIONS

4.1 These are included in the detail above

5. LEGAL IMPLICATIONS

5.1. The Council Tax Base is the equivalent number of Band D dwellings (after taking account of discounts and exemptions) which would raise the same amount of tax as the actual number of liable dwellings in the borough, with their actual spread of bands. The Band D equivalent total is then multiplied by the estimated collection rate for the year, to give the Council Tax Base figure. In the Council Tax calculation process to be undertaken at Full Council on 1st March 2011 this figure will be used to calculate the amount of tax to be levied for a Band D dwelling. The Council Tax level for each valuation band is then calculated by a fixed ratio which each band bears to the Band D figure. The Council's Constitution currently requires that the calculation of the Council Tax Base be carried out by the General Purposes Committee.

5.2 Section 11A of the 1992 Local Government Act enables the Secretary of State to designate by regulations:

- (i) Categories of properties in respect of which the discount available in respect of empty properties may be reduced to a percentage of at least 10% (section 11A(3)); and
- (ii) categories of properties in respect of which the discount may be reduced to any percentage or eliminated entirely (section 11A(4)).

In the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 the Secretary of State has designated furnished dwellings which are not the sole or main residence of an individual for the purposes of section 11A(3) (except caravan pitches and boat moorings) and unfurnished unoccupied properties for the purposes of section 11A(4).

5.3 The determination the Council made on 26th January 2004 to set the discount for second and long term empty properties at 10% was in accordance with these regulations. This Committee decided in January 2008 to remove the 10% discount for unfurnished unoccupied properties.

6. DIVERSITY IMPLICATIONS

6.1. The proposals in this report have been subject to screening and officers believe that there are no diversity implications arising from it.

7. STAFFING IMPLICATIONS

7.1. None arising directly from this report.

8. BACKGROUND INFORMATION

Local Government Finance Act 1992.

The Local Authorities (Calculation of Council Tax Base) Regulations 1992.

Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003

Council Tax Valuation List.

Anyone wishing to inspect the above documents should contact David Huberman, Finance Manager, Brent Financial Services, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Telephone 0208-937-1478.

CLIVE HEAPHY

Director of Finance and Corporate Services

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CTB(October 2010)

Calculation of Council Tax Base for Formula Grant Purposes

Please e-mail to : ctb.statistics@communities.gsi.gov.uk
Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

Check that this is your authority :	Brent
Local authority contact name :	DAVID HUBERMAN
Local authority telephone number :	0208-937-1478
Local authority fax number :	0208-937-1294
Local authority e-mail address :	david.huberman@brent.gov.uk

CTB(October 2010) form for : Brent

Completed forms should be received by CLG by Friday 15 October 2010

Dwellings shown on the Valuation List for the authority on Monday 13 September 2010	Band A entitled to disabled relief reduction COLUMN 1	Band A COLUMN 2	Band B COLUMN 3	Band C COLUMN 4	Band D COLUMN 5	Band E COLUMN 6	Band F COLUMN 7	Band G COLUMN 8	Band H COLUMN 9	TOTAL COLUMN 10
1. Total number of dwellings on the Valuation List		2,392	12,251	33,001	30,857	21,634	6,208	3,326	252	109,921
2. Number of dwellings on valuation list exempt on 4 October 2010 (Class A to W exemptions)		132	484	1,264	871	595	155	113	22	3,636
3. Number of demolished dwellings and dwellings outside area of authority on 4 October 2010 (please see notes)		0	0	0	0	0	0	0	0	0
4. Number of chargeable dwellings on 4 October 2010 (treating demolished dwellings etc as exempt) (lines 1-2-3)		2,260	11,767	31,737	29,986	21,039	6,053	3,213	230	106,285
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 4 October 2010		1	23	67	259	246	104	57	9	766
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	1	23	67	259	246	104	57	9		766
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	1	2,282	11,811	31,929	29,973	20,897	6,006	3,165	221	106,285
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 4 October 2010	1	1,531	7,150	14,942	8,329	4,175	903	403	19	37,453
9. Number of dwellings in line 7 entitled to a 25% discount on 4 October 2010 due to all but one resident being disregarded for council tax purposes	0	4	101	290	295	164	41	23	1	919
10. Number of dwellings in line 7 entitled to a 50% discount on 4 October 2010 due to all residents being disregarded for council tax purposes	0	0	6	19	36	23	39	41	18	182
11. Number of dwellings in line 7 classed as second homes and so treated for Formula Grant purposes as being entitled to a 50% discount on 4 October 2010 (even if a lower discount has been granted in practice).		14	61	179	148	127	35	38	9	611
12. Number of dwellings in line 7 classed as long-term empty and receiving a 50% discount on 4 October 2010		0	0	0	0	0	0	0	0	0
13. Total number of dwellings in line 7 entitled to a 50% discount for Formula Grant purposes on 4 October 2010 (lines 10+11+12)	0	14	67	198	184	150	74	79	27	793
14. Number of dwellings in line 7 classed as long-term empty and receiving zero% discount on 4 October 2010		29	68	186	134	107	29	38	4	595
15. Number of dwellings in line 7 classed as long-term empty and receiving between zero% and 50% discount on 4 October 2010. Please enter % discount here (please see notes):		0	0	0	0	0	0	0	0	0
16. Number of dwellings in line 7 where there is liability to pay 100% council tax (lines 7-8-9-13-15)	0	733	4,493	16,499	21,165	16,408	4,988	2,660	174	67,120
17. Total equivalent number of dwellings after discounts, exemptions and disabled relief (to 2 decimal places) [(line 8 x 0.75) + (line 9 x 0.75) + (line 13 x 0.5) + line 15 x ((100 - % discount)/100) + line 16]	0.75	1,891.25	9,964.75	28,022.00	27,725.00	19,737.25	5,733.00	3,019.00	202.50	96,296
18. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
19. Number of band D equivalents (to 1 decimal place) (line 17 x line 18)	0.4	1,260.8	7,750.4	24,908.4	27,725.0	24,123.3	8,281.0	5,031.7	405.0	99,486.0
20. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2010-11 (to 1 decimal place)										0.0
21. Tax base for Formula Grant purposes (to 1 decimal place) (line 19 col 10 + line 20)										99,486.0

Certificate of Chief Financial Officer

I certify that the information provided on this form is based on the dwellings shown in the Valuation List for my authority on 13 September 2010 and that it accurately reflects information available to me about exemptions, demolished dwellings etc, disabled relief and discounts applicable on 4 October 2010.

Chief Financial Officer :

Date :

Local authority contact name : DAVID HUBERMAN
Local authority telephone number : 0208-937-1478
Local authority fax number : 0208-937-1294
Local authority e-mail address : david.huberman@brent.gov.uk

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