

# Budget for Birmingham

## Council tax help and information notes

2013/14



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## A message from the leader

**The city council is facing an enormous financial challenge in the years ahead as we grapple with the biggest cuts in Government funding in this country in modern times.**

In the four short years to 2015, around a third of the money given to councils across the country will be removed. And the cuts have not been made fairly. In Birmingham we are facing around twice the national average cut. If an average cut had been applied, this would have given us £79 million more funding since 2011, approximately the level of new cuts we need to introduce into the 2013/14 budget.

The city council has been making efficiency savings and changing the way it works for many years. Already our workforce has been reduced by a quarter. But as the years go by it gets more and more difficult to do this without making real reductions in the services people receive.

We have conducted an extensive consultation on the city council's budget for the year ahead and we have been able to respond to your

comments and make some important changes to the proposals we set out in December.

My first duty in these circumstances is to be open and honest with the people of Birmingham about the difficult and painful decisions we must take. There is no magic wand available and it would be a cruel deception to claim otherwise. We must by law balance the budget each year.

What I can say is we will deal with this crisis in the fairest possible way and defend the most vulnerable in our city. We will work tirelessly with the people and communities of the city and the dedicated staff of the council to find ways to meet this challenge. We understand the financial pressures that many Birmingham people are facing at this time. We will do our utmost to ensure that spending reductions are made in a way that makes the least possible impact on those most in need.

**Councillor Sir Albert Bore,**  
Leader of the council

A handwritten signature in blue ink, appearing to read 'Albert Bore', written over a circular scribble.

## Budget and council objectives

### A new administration and new priorities

Following the local elections in May 2012, Birmingham City Council had a change in administration and, with it, a new vision and a new set of priorities for the city.

The council's vision is to make Birmingham:

### **An inclusive city in which many more people can play their part – a fair chance for everyone in Birmingham.**

The council has three key priorities:

1. Tackling inequality and deprivation; promoting social cohesion across all communities in Birmingham; and ensuring dignity, particularly for our older people; and safeguarding for children.
2. Laying the foundations for a prosperous city, built on an inclusive economy.
3. Involving local people and communities in the future of their local area and their public services – a city with local services for local people.

Key aims for the city include making Birmingham an 'entrepreneurial city', a 'smart city' and a 'green city'.

### Birmingham's budget challenge

Birmingham City Council is facing an extremely tough financial challenge.

In 2010, as part of the Spending Review, the Government announced its plan for reducing the national financial deficit. Funding to local authorities will be reduced by 28% from 2011 to 2015 after taking account of inflation and, in fact, some grants have been stopped altogether. Some large cities, including Birmingham, have been hit hard.

In the last two years, the Government has reduced its grants to Birmingham City Council by over £140 million. That is a reduction of 14%.

For 2013/14 general grants have been cut by a further £27 million. Over a six-year period, from 2010/11 to 2016/17, it is forecast that the general Government grants to Birmingham City Council will reduce by at least £300 million.

At the same time, the council has to pay for unavoidable cost increases due to inflation, changes in legislation, the changing needs of local people and financing costs. These are expected to cost at least £315 million extra by the end of 2016/17.

The combined impact of grant reduction and rising local costs means the council will have to make cuts of around £615 million by 2016/17.

The task for 2013/14 is to save around £102 million in addition to the £275 million saved in the previous two years.

In order to decide where budget cuts should be made, the council carried out a consultation with local people, employees and other organisations. Hundreds of comments were received and these were all passed to councillors to help them make decisions on the budget for 2013/14.

### **Council tax**

There will be no increase in the city council's element of council tax for 2013/14. The council has chosen to accept a Government grant to freeze council tax at the same level as 2012/13. This will produce the best financial outcome for the city council next year, as well as for the city's taxpayers.

### **Planning for the future**

In recent years, efficiency savings have been made and these have helped to bridge the financial gap. This is no longer enough. Over the next few years services will need to change and, indeed, some may need to be discontinued.

The financial challenge facing local councils may be the end of local government as we know it and may change its relationship with its citizens.

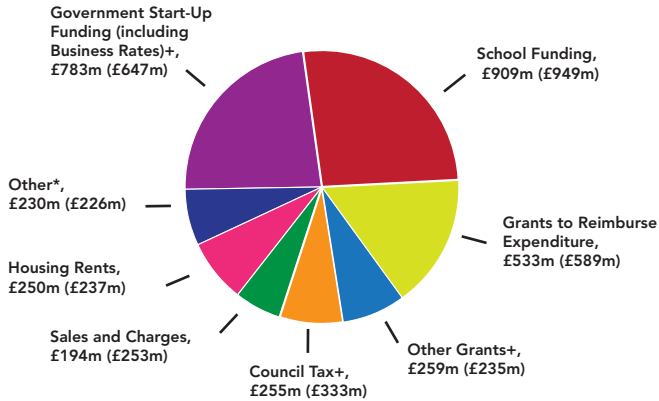
This means that Birmingham City Council will need to continue to adapt and make changes to services and how they are run. The council will look at involving citizens much more in shaping and delivering services where possible, and in some areas decommission services altogether.

However, despite any cuts that need to be made the council's key aim will be to ensure that it makes the best use of resources for those most in need – protecting those local people who are the most vulnerable.

# How budgets are put together

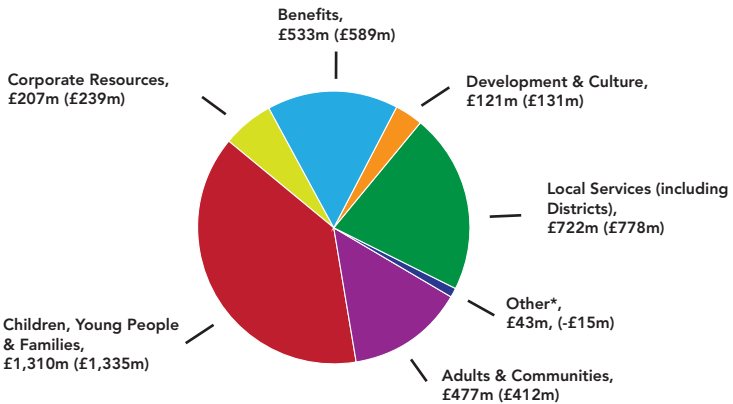
Revenue expenditure involves spending on the day-to-day running costs of the council, e.g. employees, premises, supplies and services.

## Where the money comes from 2013/14 – Total £3,413m (£3,469m) (2012/13 figures in brackets)



\* Other includes: Other Rents, Reimbursements & Contributions, Housing Service Charges and Use of Reserves & Balances  
+ In 2013/14 Government Start-Up Funding includes £78m formerly shown under Other Grants and £90m under Council Tax

## Where the money is spent 2013/14 – Total £3,413m (£3,469m) (2012/13 figures in brackets)



\* Other includes: Capital Accounting & Financing Costs, Contingencies and Contributions to Reserves & Balances

## Spending

SPENDING	'12/'13 £m	'13/'14 £m	% change
Gross Expenditure	3,469.143	3,413.413	-1.6
Less Government Start-Up Funding	-646.520	-783.384	21.2
Less Other Income	-2,489.405	-2,374.971	-4.6
Charge to council taxpayers	333.218	255.058	-23.5
Divided by the taxbase (Band D property equivalents)	299,208	229,025	-23.5
<b>Council tax for City Council services (Band D)</b>	<b>£1,113.67</b>	<b>£1,113.67</b>	<b>0.0</b>
For each £1 million change in gross spend Band D council tax would be affected as follows:	3.34	4.37	+/-30.6

New Frankley in Birmingham Parish Council estimates gross expenditure in 2013/14 of £87,842 (£85,295 in 2012/13). It has estimated that its net expenditure will be £46,823 (£85,120 2012/13) which it is levying as a precept in 2013/14, equivalent to £41.40 per property in Band D (£40.59 for 2012/13). Its charge will be made only to council taxpayers in the parish. The decrease in net expenditure in 2013/14 is due to changes from Council Tax Benefit to a Support Scheme which reduces their tax base. For each £1,000 change in gross spend, 2013/14 Band D council tax would be affected by +/-£0.88.

### HOW SPENDING HAS CHANGED FROM 2012/13

	£m
<b>CITY COUNCIL GROSS EXPENDITURE 2012/13 WAS:</b>	<b>3,469</b>
School Expenditure & Funding	-40
Housing Revenue Account	22
Budget issues and policy choices	47
Expenditure Savings	-94
Other	9
<b>CITY COUNCIL GROSS EXPENDITURE 2013/14 IS:</b>	<b>3,413</b>

## Council tax

### HOW COUNCIL TAX HAS CHANGED FROM 2012/13

	<b>£m</b>
<b>CITY COUNCIL COUNCIL TAX REQUIREMENT 2012/13 WAS:</b>	<b>333</b>
Inflation	11
Government Start-Up Funding Reduction	32
Council Tax Benefit replaced by Council Tax Support	-90
Budget issues and policy choices*	48
Savings*	-102
Other	23
<b>CITY COUNCIL COUNCIL TAX REQUIREMENT 2013/14 IS:</b>	<b>255</b>

\* includes pressures and savings relating to income that do not affect gross expenditure

	'12/'13	'13/'14	% change
<b>Council tax for City Council services (Band D)</b>	<b>£1,113.67</b>	<b>£1,113.67</b>	<b>0.0</b>
Fire and Rescue Authority precept	£47.83	£52.82	10.4
West Midlands Police and Crime Commissioner precept	£99.45	£102.43	3.0
<b>Gives a total council tax (Band D)</b>	<b>£1,260.95</b>	<b>£1,268.92</b>	<b>0.6</b>

## Detailed council tax figures

### Council tax 2013/14

New Frankley in Birmingham Parish

Band	City Council	Fire and Rescue Authority	West Midlands Police and Crime Commissioner	Total	Parish Precept	Parish Total
	£	£	£	£	£	£
A	742.45	35.21	68.29	845.95	27.59	873.54
B	866.19	41.08	79.67	986.94	32.20	1,019.14
C	989.93	46.95	91.05	1,127.93	36.80	1,164.73
D	1,113.67	52.82	102.43	1,268.92	41.40	1,310.32
E	1,361.15	64.55	125.19	1,550.89	50.60	1,601.49
F	1,608.63	76.29	147.95	1,832.87	59.80	1,892.67
G	1,856.11	88.03	170.72	2,114.86	69.00	2,183.86
H	2,227.34	105.63	204.86	2,537.83	82.79	2,620.62



## Environment Agency Midlands Region

### The Council Tax (Demand Notices) (England) Regulations 2011.

The Environment Agency is a levying body for its Flood and Coastal Erosion Risk Management Functions under the Flood and Water Management Act 2010 and the Environment Agency (Levies) (England and Wales) Regulations 2011.

The Environment Agency has powers in respect of flood and coastal erosion risk management for 4,855 kilometres of main river and along tidal and sea defences in the areas of the Severn and the Trent Regional Flood and Coastal Committees (2,486 and 2,369 respectively). Money is spent on the construction of new flood defence schemes, the maintenance of the river system and existing flood defences together with the operation of a flood warning system and management of the risk of coastal erosion. The financial details are:

#### Severn Regional Flood Defence Committee

	2012/13	2013/14
Gross expenditure	£23.870m	£10.546m
Levies raised	£1.064m	£1.064m
Total council tax base (Band D property equivalents)	1,037,000	874,000

#### Trent Regional Flood Defence Committee

	2012/13	2013/14
Gross expenditure	£27.196m	£34.320m
Levies raised	£1.936m	£1.936m
Total council tax base (Band D property equivalents)	1,887,000	1,628,000

The majority of funding for flood defence comes directly from the Department for the Environment, Food and Rural Affairs (Defra). However, under the new Partnership Funding rule not all schemes will attract full central funding. To provide 'matching' funding the Agency may seek funding from County and Metropolitan Councils, Unitary Authorities and London Boroughs in the form of a Local Levy. The Local Levy is shared on the basis of Band D Equivalents between all contributing bodies within the Committee Area.

Changes in the Gross Budgeted expenditure between the years reflects the impact of the Government Spending Review and national prioritisation of capital projects.

The total Local Levy raised has remained the same in 2013/2014 as 2012/2013 at £3 million (£1.064 million & £1.936 million respectively). Birmingham's share in 2013/14 is £0.272 million.

## Council tax – help and information

If you have any difficulty understanding this part of the leaflet or you want more help with your council tax you can:

**Go to the website at:** [www.birmingham.gov.uk/council-tax](http://www.birmingham.gov.uk/council-tax)

You will find information about council tax, along with forms you can use to ask questions about your account, or to tell us about changes in your circumstances. Please quote your account reference number, if you have one, when contacting us.

**Text phone:** 0121 303 1119 (Registered Users Only)

**Write to:** Birmingham City Council, Corporate Resources, (Revenues and Benefits), PO Box 5, Birmingham B4 7AB

### Fair Processing Statement – Customer First

**Any personal data held by Birmingham City Council, in relation to your council tax or business rates bill, will be held in full compliance with the legal obligations as set out in the Data Protection Act 1998 and in accordance with the council's privacy policy. A copy is available at any council library or on the Birmingham City Council website: [www.birmingham.gov.uk/privacy](http://www.birmingham.gov.uk/privacy)**

**Birmingham City Council will incorporate the names and addresses held in the council tax and business rates systems into customer services systems. This is in line with the privacy policy.**

### Changes in circumstances

You are required by law to inform the council if there is a change that affects your council tax charge, for example, if you receive a discount or exemption and the conditions no longer apply. This could be where you are not the only person in your property aged 18 years and over and therefore no longer qualify for a single person discount. You should also advise us if you change address, or if a different person should now be liable to pay the bills.

**You must inform the council's revenues and benefits team within 21 days of any change in your circumstances. Failure to do so, without reasonable excuse, could result in a financial penalty.**

**You can do this by visiting** [www.birmingham.gov.uk/changeincircs](http://www.birmingham.gov.uk/changeincircs)

## Council tax – help and information

If you wish to claim Council Tax Support or if you are claiming Council Tax Support and have a change in your circumstances that you wish to report, you can do so by accessing the Birmingham City Council website:

[www.birmingham.gov.uk/benefits](http://www.birmingham.gov.uk/benefits)

## Help and information for visually impaired people

Please telephone 0121 303 1113 to register for our large print services. We can provide you with information relating to your council tax bill in large print, audiotape or Braille.

## Council tax bands

Council tax is the way in which Birmingham City Council receives some of the money it needs to provide local services. The amount you pay is based on the value of your property. There are eight bands set by the Government. Your band is shown on your council tax bill.

Band	Property value	Band	Property value
A	Up to and including £40,000	E	£88,001 – £120,000
B	£40,001 – £52,000	F	£120,001 – £160,000
C	£52,001 – £68,000	G	£160,001 – £320,000
D	£68,001 – £88,000	H	More than £320,000

### Appeals against banding

You can appeal against the banding of newly occupied properties, or properties which have had a major change in structure, or use of facilities. It is not possible to appeal on the grounds of general changes in the property market, or if an appeal has been made before. **The property value is based on 1991 prices.**

### If you have any questions concerning the banding of your property contact:

The Listing Officer, Council Tax West, Valuation Office Agency, Overline House, Central Station, Blechynden Terrace, Southampton, SO15 1GW  
Telephone: 03000 501501. Website is [www.voa.gov.uk](http://www.voa.gov.uk)

### Council tax liability

The person liable to pay council tax is the person who first fits one of the descriptions listed below, starting with one and working through to six. More than one person can be held liable if they are on the same level. Husbands and wives, or partners, are usually jointly liable. In some cases, the owner of a property will have to pay the council tax, rather than the residents (e.g. houses in multiple occupation, care homes or nursing homes).

1. Resident owner
2. Resident leaseholder
3. Resident statutory or secure tenant
4. Resident with a licence to occupy
5. Resident aged 18 or over
6. Owner

### Appeals against liability

If you think that you are not the person who should have to pay council tax, see help and information on pages 10 and 11.

**You should not withhold payment of your council tax if you are waiting for a decision on whether your banding or liability is correct or whether you are entitled to Council Tax Support.**

## Council tax reductions

### People with disabilities

If your home has special facilities for someone in your household who is disabled, it may be possible to get your bill reduced. You may be able to get a reduction if, for example:

- You have a room needed by the disabled person for a special purpose (e.g. dialysis equipment)
- You have an extra bathroom or kitchen for the disabled person
- There is enough floor space for someone who uses a wheelchair within the home

**You will need to complete an application form to receive this reduction. Please call us on 0121 303 1113 for an application form.**

### Personal discounts

The full bill is only payable if there are at least two adults living in the property. In certain circumstances you may be entitled to a reduction:

- If you are the only adult aged 18 years and over living in your property you can apply for a 25% discount

Some people are not counted when looking at the number of adults in a property.

The main categories are:

- Full-time students, student nurses, apprentices and youth training trainees
- People who are severely mentally impaired
- People caring for someone living in the property who has a disability, and who is not their spouse, partner or child aged under 18 years
- 18 and 19 year olds who are at, or who have just left, school or college
- Patients resident in hospital
- People who are being looked after in care homes
- People in prison (except those in prison for non-payment of council tax or a fine)

**For further information, or to make an application, please visit [www.birmingham.gov.uk/discounts-and-exemptions-form](http://www.birmingham.gov.uk/discounts-and-exemptions-form)**

# Exemptions

## Exempt properties

Some properties are exempt from council tax.

For a full list please visit [www.birmingham.gov.uk/exemptions](http://www.birmingham.gov.uk/exemptions)

However, the main categories are:

- A property left unoccupied by a person detained in custody
- A property left unoccupied by patients now resident in a hospital or care home
- A property left unoccupied because the owner or tenant has died, for a maximum of six months after probate has been granted
- A property left empty by people receiving care
- A property left empty by people providing care
- A property left empty by someone who is now a full-time student living elsewhere
- A property occupied solely by full-time students, or by some non-British dependants of students
- A property left empty by a bankrupt
- A vacant caravan pitch or boat mooring
- A property occupied only by people aged under 18 years
- An unoccupied annexe which cannot be let separately without a breach of planning control
- A property occupied only by people who are severely mentally impaired (including the liable person)
- Certain properties occupied by diplomats
- An annexe occupied by an elderly or disabled relative

You will need to complete an application form to receive any reduction or exemption.

**For further information, or to make an application please visit [www.birmingham.gov.uk/discounts-and-exemptions-form](http://www.birmingham.gov.uk/discounts-and-exemptions-form)**

From 1 April 2013, due to a change in legislation, no discount or exemption will be awarded for the following properties:

- Empty and unfurnished
- Under or requiring structural repair
- Unoccupied furnished
- A non-job related second home

This means if you are currently in receipt of a discount or exemption for the above reasons these will end at 31 March 2013.

Additionally, where a property has been empty and unfurnished for a period of two years a council tax charge of up to 150% may be applied.

# Council Tax Support

## What is Council Tax Support?

From 1 April 2013, Council Tax Benefit has been replaced by a new local scheme of Council Tax Support. There will be around a 10% reduction nationally in the amount the Government gives to local authorities such as Birmingham City Council to deliver the scheme.

The introduction of our scheme means that most claimants of working age (other than those listed below) will have their Council Tax Support assessment based on a maximum of 80% of their council tax liability.

Claimants will not be affected by the changes and will have their Council Tax Support assessment based on 100% of their council tax liability if the:

- Claimant or their partner is a pensioner
- Claimant or their partner is entitled to a disability premium, severe disability premium, enhanced disability premium or disabled child premium
- Claimant or their partner is entitled to employment support allowance and receives a qualifying disability related benefit
- Claimant or their partner qualifies for a carer's premium
- Claimant or their partner receives a war disablement pension, war widow's pension or war widower's pension
- Claimant or their partner has a dependant child under six

## Why should I claim Council Tax Support?

Council Tax Support is money off your council tax bill. This means that your bill could be reduced. Council Tax Support can be paid in addition to any other reductions in your bill, for example because you live alone.

You may still qualify for Council Tax Support even if:

- You are working
- You have other income such as a works pension or a private pension
- You have savings, unless these are more than £16,000

## How much can I get?

The amount of Council Tax Support you get depends on your individual circumstances and takes account of any income you (and that of a partner, if you have one) get from working, pensions, benefits and tax credits, any savings over £6,000 and your household circumstances including any other people who live with you.

The people who live with you other than your partner are called non-dependants. For every non-dependant that lives with you there could be a reduction in the overall amount of Council Tax Support that you are awarded.

## Help and advice

Some people might not know how to claim, others might think it is too complicated.

If you have not claimed Council Tax Support, but would like to know if you are entitled to it, you can find out further information about this at:

[www.birmingham.gov.uk/benefits](http://www.birmingham.gov.uk/benefits)

**If you already get Council Tax Benefit as at 31 March 2013 this will automatically be converted to Council Tax Support on 1 April 2013. You do not need to make a new claim.** Your Council Tax Support will be taken off your bill. If your circumstances change you must tell us within 21 days as this could affect your Council Tax Support entitlement.

For more information on the new Council Tax Support scheme, go online to

[www.birmingham.gov.uk/counciltaxsupport](http://www.birmingham.gov.uk/counciltaxsupport)

### Other benefit changes

The Government has introduced major changes to a number of benefits through the Welfare Reform Act. In many cases this means that the amount of money that recipients of Housing Benefit receive will go down. If you have been affected by these changes and you need help and guidance please visit our webpage

[www.birmingham.gov.uk/welfarereform](http://www.birmingham.gov.uk/welfarereform)

**Benefit fraud** – Help us stamp it out

**Do you know anyone committing benefit fraud or any other type of fraud against the council?** Anyone wishing to report a suspected benefit fraud should call, in confidence, the Local Authority Fraud Hotline on **0800 854 440 (0800 328 0512 Textphone)**, or write to NBFH, PO Box 224, Preston, PR1 1GP



## How to pay

Please note that your payment date is the 1st of the month and on 1st of the month thereafter, commencing in April, unless you pay by Direct Debit when you will have a choice of payment dates.

Monthly direct debit payers have the choice of paying on 8th, 15th, 21st or 28th of the month. You can also pay by direct debit if you pay yearly or half yearly. Your payment dates will be 1 April 2013 and the balance by 1 October 2013.

**Direct debit** is the easiest way to pay, and you are protected by the direct debit guarantee. If you would like to pay your council tax by direct debit, it could not be simpler. Just call us on 0121 303 1113, advise us of your chosen payment date and provide us with your relevant details. We will do the rest.

**Online** – Visit [www.birmingham.gov.uk/council-tax](http://www.birmingham.gov.uk/council-tax) where you can make payment by debit or credit card.

**By telephone using debit / credit card** – Call 0121 464 2001 to make payment on the 24-hour automated payment system.

If you pay by any of the following methods, you must allow five days for your payment to reach us.

**Payment card** – If you have a payment card, you can take this to any post office. If you pay by cheque at the post office you must make it payable to 'Post Office Counters Ltd'. You can also pay at any shop displaying the PayPoint or PayZone logo – only cash is accepted at these outlets.

**By post** – to Birmingham City Council, Corporate Resources, (Revenues and Benefits), PO Box 5, Birmingham B4 7AB. Cheques / Postal Orders should be made payable to Birmingham City Council – writing your payment reference number on the reverse. Please do not send your payment card, if you have been issued with one. Cash must not be sent in the post and do not staple, pin or fold cheques. Receipts will only be issued if a stamped self-addressed envelope is provided.

If the front of your bill shows that you will be paying by payment card, you should continue to use the card you used last year.

Whether you choose the post office, PayPoint or PayZone please take your payment card with you.

## Don't fall into the debt trap

All payments must be received by the due dates shown on your bill, or you will receive a reminder notice. If payments are not made on time, you may be subject to enforcement action. This can involve bailiff action, deductions from your income, bankruptcy proceedings, a charging order or an application to commit you to prison. Substantial costs are involved – which you will have to pay.

If you have difficulties paying your council tax, please contact us on 0121 303 1113.

**Paying by direct debit ensures you do not miss payments. Call 0121 303 1113 to arrange this.** For information on all council services visit [www.birmingham.gov.uk](http://www.birmingham.gov.uk)

### Service improvement

The council has tracing software which enables us to identify and recover outstanding council tax from people who leave their property without paying.

### Comments / compliments / complaints – your views

We are committed to providing our customers with an excellent level of service and support the city council's 'Your Views' policy.

If you would like to raise anything about the service you have received, whether it is a comment, compliment or complaint, please let us know by visiting [www.birmingham.gov.uk/yourviews](http://www.birmingham.gov.uk/yourviews) or contact us using the details available in the help and information section of this booklet.

### Customer service centres (formerly neighbourhood offices)

If you need help or advice, and you have been unable to resolve your enquiry online or by calling 0121 303 1113, please call 0121 216 3030 for an appointment at one of our customer service centres. Details can be found online at [www.birmingham.gov.uk](http://www.birmingham.gov.uk)

# COUNCIL TAX?

SAVE YOURSELF  
SOME TIME -  
DO IT  
ONLINE



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gov.uk/doitonline**

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 **Birmingham City Council**



