

Report to Council
29 January 2013
Report of Chief finance officer
Subject Calculation of the Council Tax Base 2013-2014

Item

10

Purpose

To ask the Council to approve the calculation of the council tax base for 2013-2014.

Recommendation

That Council resolves:

- 1) to approve the calculation of the council tax base for the year 2013-2014 as set out in this report;
- 2) pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 that the amount calculated by the Norwich City Council as its tax base for the year 2013/2014 shall be 32,473.

Corporate and service priorities

The report helps to meet the corporate priority “value for money services”.

Financial implications

The calculation of the tax base is a key statutory element in the budget and tax calculation process.

Ward/s: All

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

Caroline Ryba, chief finance officer	01223 699292
Philippa Dransfield, chief accountant	01603 212562
Jan Ferguson, reconciliation and returns officer	01603 212642

Background documents

None

Report

Background

1. The council, acting as billing authority, is required to calculate the amount of its council tax. This will be calculated at the same time as the budget requirements for the year are considered.
2. Prior to that, the 'Council Tax Base' has to be calculated. The tax base has to be notified to Norfolk County Council and the Norfolk Police Authority by 31 January 2013.

The calculation of the council tax base

3. The calculation has to be made in accordance with regulations issued under the Local Government Act 1992, the Local Government Act 2003 and the Local Government Finance Act 2012 and requires calculations of relevant amounts for each of the valuations bands – the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

The Formula used is:

$$\frac{\text{Number of chargeable dwellings in each Band (adjusted)} - \text{Number of discounts (estimated) x appropriate \%}}{\text{Fraction for that band e.g. 6/9 for Band A}}$$

4. The relevant amounts are then aggregated and the following formula applied:

$$\frac{\text{Total of relevant amounts for each of the valuation bands} \times \text{Estimate of collection rate for year}}{\text{Estimate of 'contributions' received in respect of "Home Forces" dwellings (MoD)}}$$

The calculation in detail

5. By 12 October 2012, the council was required to submit to the department of Communities and Local Government, Form CTB1 which analysed the valuation list at 10 September 2012 into the various bands and provided information relating to properties subject to the full charge, those entitled to discounts, those exempt, etc, applicable on 1 October 2012.
6. The properties in each band are then converted to the number of Band 'D' equivalents, which forms the base for Revenue Support Grant purposes for 2013-2014.

7. Similar information is used for the calculation of the tax base for the setting of the level of council tax. The valuation list at 30 November 2012 forms the basis, but in addition, it is necessary to estimate variations to the amounts for additions, deletions, corrections and successful appeals. This year it has also been necessary to estimate variations to the amounts for the changes to discounts and exemptions, the new empty home premium for properties empty for longer than 2 years and the introduction of a council tax reduction scheme introduced by the Local Government Finance Act 2012. The council tax reduction scheme replaces council tax benefit and is deducted from the tax base in the same way as a discount or exemption and therefore results in a much lower tax base than in previous years.
8. The proposed calculations and estimates for each band are detailed in Appendix A using the formula $((H-Q+E+J)-Z) \times (F \text{ divided by } G)$. This formula varies from calculations for previous years to cover the changes introduced by the Local Government Finance Act 2012 and are summarised in appendix B. The addition of E to the formula represents empty home premiums added and the addition of Z to the formula represents the council tax reduction scheme.
9. In summary, the total of the relevant amount is 33,477.32.
10. The calculation of the tax base, shown as 'T' in Section 33 Local Government Finance Act 1992, is accordingly recommended to be:

Aggregate

33,477.32 x 97% Collection Rate = 32,473.0

Add contribution re Home Forces dwellings 0.0

Tax base (to 1 decimal place) **32,473.0**

2012-2013	41,095.0
2011-2012	40,766.0
2010-2011	40,214.0
2009-2010	39,997.0

11. The following table analyses the movement of the council tax base between 2012-13 and 2013-14

Tax base 2012-13	41,095
Increase due to new homes and normal changes	386
Increase due to new empty home premium, abolished legislative exemptions and new local discounts	573
Decrease due to Council Tax Reduction Scheme (see calculation below)	-9,578
Rounding	-3
Tax base 2013-14	32,473

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
The total amount which it is estimated will be applied the council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.	-8785.00	-4195.00	-610.00	-138.00	-49.00	-7.00	-3.00	0.00	-13,787.00
The total amount which it is estimated will be applied the council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in band D.	-5681.00	-3164.00	-526.00	-134.00	-58.00	-10.00	-5.00	0.00	-9,578.00

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Council
Committee date:	29 January 2013
Head of service:	Caroline Ryba chief finance officer
Report subject:	Calculation of Councils Council tax Base
Date assessed:	9 January 2013
Description:	To ask the Council to approve the calculation of the council tax base for 2013/2014.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Calculation of the Ctax base and consequent income is a part of the statutory process by which the council's activities are funded.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Accurate calculation of the Ctax base and consequent income minimises the risk that the council will collect and retain too little or too much Ctax income, and provide certainty for the annual budgeting process.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

COUNCIL TAX BASE 2013-14 – CALCULATION OF RELEVANT AMOUNT

APPENDIX A

		Relevant amount for each band = (H - Q + E + J) – Z x (F divided by G)	Band A entitled to disabled relief reduction									
				Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
H =		Number of dwellings in the band in the valuation list on the relevant day, 30.11.2012, (adjusted for disabled reductions). Less estimate of number exempt.	33	25,970	21,226	7,556	3,274	2,040	821	610	51	61,581.00
Q =		Estimate of number of discounts on the relevant day.	-3.75	-3,977.20	-2,168.45	-683.05	-237.30	-137.80	-51.50	-33.70	-3.25	-7,296.00
E =		Estimate of number of Empty Home Premiums on properties empty for longer than 2 years on the relevant day.	0	27.00	21.50	9.50	2.50	3.00	0.50	0.00	1.00	65.00
J =		Adjustment (+/-) in respect of changes between the relevant day and 31.3.2013.										
		Difference between										
		(i) estimate of number of full year equivalent dwellings not on the list on the relevant day but which will be listed in that band for whole or part of the year and estimate of discounts applicable on the relevant day but which will not be applicable for whole or part of year.										
		AND										
		(ii) estimate of number of dwellings which are listed on relevant day but which will not be listed for whole or any part of the year										
		and the number not exempt on the relevant day, but which will be exempt										
		and estimates of discounts to be granted but not in (Q) above.	0	53.30	82.00	35.30	16.80	5.40	4.70	0.00	0.00	197.50

COUNCIL TAX BASE 2013-14 – CALCULATION OF RELEVANT AMOUNT

APPENDIX A

			Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Z	= The total amount which it is estimated will be applied the council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.	0	-8785.00	-4195.00	-610.00	-138.00	-49.00	-7.00	-3.00	0.00	-13,787.00
F	= Number which, in the proportion set out in Section 5 (l) of the 1992 Act, is applicable to dwellings listed in the band.	5	6	7	8	9	11	13	15	18	
G	= Number which, in that proportion, is applicable to dwellings listed in Valuation Band D	9	9	9	9	9	9	9	9	9	
	Calculated relevant amount for Band (as formula above) =	16.25	8,858.73	11,640.26	5,606.89	2,918.00	2,275.29	1,108.9	955.50	97.50	33,477.32

SUMMARY OF TAX BASE CALCULATIONS FOR EACH BAND

Band	No. of Chargeable Dwellings in Band		Calculated Relevant Amount	
	No.	%	No.	%
A	25,903	42.1%	8,874.98	26.5%
B	21,283	34.6%	11,640.26	34.8%
C	7,583	12.3%	5,606.89	16.7%
D	3,277	5.3%	2,918.00	8.7%
E	2,048	3.3%	2,275.29	6.8%
F	814	1.3%	1,108.90	3.3%
G	614	1.0%	955.50	2.9%
H	59	0.1%	97.50	0.3%
	<hr/> 61,581	<hr/> 100.0%	<hr/> 33,477.32	<hr/> 100.0%