

Report for Resolution

Report to Council
31 January 2012

Report of Head of Finance

Subject Calculation of the Council Tax Base 2012/2013

Item
7

Purpose

To ask the Council to approve the calculation of the council tax base for 2012/2013.

Recommendations

That Council resolves:

- (i) to approve the calculation of the council tax base for the year 2012/2013 as set out in this report;
- (ii) pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the Local Authorities (Calculation of Tax Base) (Amendment) (England) Regulations 1999, the Local Authorities (Calculation of Tax Base) (Amendment) (England) Regulations 2003 and the Local Authorities (Calculation of Tax Base) (Amendment) (England) (No. 2) Regulations 2003, that the amount calculated by the Norwich City Council as its tax base for the year 2012/2013 shall be 41,061.

Financial Consequences

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

Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority "Aiming for excellence – ensuring the Council is efficient in its use of resources, is effective in delivering its plans, is a good employer and communicates effectively with its customers, staff and partners".

Contact Officers

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Background Documents

Nil.

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 2012.

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 and the Local Government Act 2003 and requires calculations of relevant amounts for each of the valuations bands – the Local Authorities (Calculation of Tax Base) Regulations 1992, the Local Authorities (Calculation of Tax Base) (Amendment) (England) Regulations 1999, the Local Authorities (Calculation of Tax Base) (Amendment) (England) Regulations 2003 and the Local Authorities (Calculation of Tax Base) (Amendment) (England) (No. 2) Regulations 2003.

The Formula used is:

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

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

$$\begin{array}{l} \text{Total of relevant} \\ \text{amounts for each} \\ \text{of the valuation} \\ \text{bands} \end{array} \quad \begin{array}{l} \text{x} \\ \text{x} \\ \text{x} \\ \text{x} \end{array} \quad \begin{array}{l} \text{Estimate of} \\ \text{collection rate for} \\ \text{year} \end{array} \quad \begin{array}{l}) \\) \\) \\) \end{array} \quad \begin{array}{l} \text{+} \\ \text{+} \\ \text{+} \\ \text{+} \end{array} \quad \begin{array}{l} \text{Estimate of} \\ \text{'contributions'} \\ \text{received in respect} \\ \text{of "Home Forces"} \\ \text{dwellings (MoD)} \end{array}$$

The Calculation In Detail

5. By 14 October 2011, the Council was required to submit to the department of Communities and Local Government, Form CTB1 which analysed the valuation list at 12 September 2011 into the various bands and provided information relating to properties subject to the full charge, those entitled to discounts, those exempt, etc, applicable on 3 October 2011.

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 2012/2013 – see Appendix A.

6. Similar information is used for the calculation of the tax base for the setting of the level of Council Tax. The valuation list at 30th November 2011 forms the basis, but in addition, it is necessary to estimate variations to the amounts for additions, deletions, corrections and successful appeals.
7. The proposed calculations and estimates for each band are detailed in Appendix B and are summarised in Appendix C.

In summary, the total of the relevant amount is 42,550.24.

8. The calculation of the tax base, shown as 'T' in Section 33 Local Government Finance Act 1992, is accordingly recommended to be:

Aggregate				
42,550.24	x	96.5% Collection Rate	=	41,061.0
Add contribution re Home Forces dwellings				<u>0.0</u>
Tax base (to 1 decimal place)				<u>41,061.0</u>

2011/2012	40,766.0
2010/2011	40,214.0
2009/2010	39,997.0
2008/2009	39,672.0

APPENDIX A

CTB (October 2012) Form For: Norwich

Completed forms should be received by CLG by 14 October 2011

	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
Dwellings shown on the Valuation List for the authority on 12 September 2011										
1. Total number of dwellings on the Valuation List		26,519	22,231	7,935	3,399	2,118	814	623	67	63,706
2. Number of dwellings on valuation list exempt on 3 October 2011 (Class A to W exemptions)		912	1,133	386	165	93	17	9	10	2,725
3. Number of demolished dwellings and dwellings outside area of authority on 3 October 2011 (please see notes)		0	0	0	0	0	0	0	0	0
4. Number of chargeable dwellings on 3 October 2011 (treating demolished dwellings etc as exempt) (lines 1-2-3)		25,607	21,098	7,549	3,234	2,025	797	614	57	60,981
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 3 October 2011		33	96	38	16	13	7	9	8	220
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	33	96	38	16	13	7	9	8		220
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)	33	25,670	21,040	7,527	3,231	2,019	799	613	49	60,981
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 3 October 2011	10	14,837	7,775	2,379	785	487	166	107	6	26,552
9. Number of dwellings in line 7 entitled to a 25% discount on 3 October 2011 due to all but one resident being disregarded for council tax purposes	1	168	234	79	19	8	8	5	0	522
10. Number of dwellings in line 7 entitled to a 50% discount on 3 October 2011 due to all residents being disregarded for council tax purposes	0	17	11	19	11	6	10	13	3	90
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 3 October 2011 (even if a lower discount has been granted in practice).		91	102	61	45	24	13	6	0	342
12. Number of dwellings in line 7 classed as long-term empty and receiving a 50% discount on 3 October 2011		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 3 October 2011 (lines 10+11+12)	0	108	113	80	56	30	23	19	3	432
14. Number of dwellings in line 7 classed as long-term empty and receiving zero% discount on 3 October 2011		0	0	0	0	0	0	0	0	0
15. Number of dwellings in line 7 classed as long-term empty and receiving between zero% and 50% discount on 3 October 2011. Please enter % discount here (please see notes):	10.00	188	152	68	30	17	3	6	3	467
16. Number of dwellings in line 7 where there is liability to pay 100% council tax (lines 7-8-9-13-15)	22	10,369	12,766	4,921	2,341	1,477	599	476	37	33,008
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]	30.25	21,845.95	18,966.05	6,865.70	2,999.00	1,878.55	743.70	574.90	45.70	53,950
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)	16.8	14,564.0	14,751.40	6,102.80	2,999.00	2,296.0	1,074.20	958.2	91.4	42,853.80
20. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2011/12 (to 1 decimal place)										0
21. Tax base for Formula Grant purposes (to 1 decimal place) (line 19 col 10 + line 20)										42853.80

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 12 September 2011 and that it accurately reflects information available to me about exemptions, demolished dwellings etc, disabled relief and discounts applicable on 3 October 2011.

Chief Financial Officer :..... Date :

APPENDIX B

COUNCIL TAX BASE 2012/13 - CALCULATION OF RELEVANT AMOUNT

Relevant amount for each band = (H - Q + J) 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, 30.11.2011, (adjusted for disabled reductions). Less estimate of number exempt.	33	25,423	20,745	7,404	3,190	2,022	845	612	49	60,283.00
Q = Estimate of number of discounts on the relevant day.	-2.75	-3,790.85	-2,064.60	-643.85	-217.15	-132.70	-50.35	-36.05	-3.30	-6941.60
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	34.00	86.50	39.40	11.00	6.50	4.50	0.00	0.00	181.90
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) =	16.81	14,444.10	14596.48	6,044.04	2,983.85	2,317.09	1,096.55	959.92	91.40	42,550.24

APPENDIX C

SUMMARY OF TAX BASE CALCULATIONS FOR EACH BAND

Band	No. of Chargeable Dwellings in Band		Calculated Relevant Amount	
	No.	%	No.	%
A	25,496	42.1%	14,460.91	34.0%
B	20,841	34.5%	14,596.48	34.3%
C	7,447	12.3%	6,044.04	14.2%
D	3,202	5.3%	2,983.85	7.0%
E	2,029	3.4%	2,317.09	5.4%
F	810	1.3%	1,096.55	2.6%
G	612	1.0%	959.92	2.3%
H	49	0.1%	91.40	0.2%
	<hr/> 60,486	<hr/> 100.0%	<hr/> 42,550.24	<hr/> 100.0%