

## Report for Resolution

**Report to** Council  
27 January 2009

**Report of** Head of Finance

**Subject** Calculation of the Council Tax Base 2009/2010

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### Purpose

To ask the Council to approve the calculation of the council tax base for 2009/2010.

### Recommendations

That Council resolves:

- (i) to approve the calculation of the council tax base for the year 2009/2010 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 2009/2010 shall be 39,997.

### 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<sup>st</sup> January 2009.

### 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:

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

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

Total of relevant amounts for each of the valuation bands x Estimate of collection rate for year ) + Estimate of 'contributions' received in respect of "Home Forces" dwellings (MoD)

### The Calculation In Detail

5. By 24<sup>th</sup> October 2008, the Council was required to submit to the Department of Communities and Local Government, Form CTB1 which analysed the valuation list at 15<sup>th</sup> September 2008 into the various bands and provided information relating to properties subject to the full charge, those entitled to discounts, those exempt, etc, applicable on 6<sup>th</sup> October 2008.

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 2009/2010 – 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 30<sup>th</sup> November 2008 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 41,234.02.

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

Aggregate				
41,234.02	x	97.0% Collection Rate	=	39,997.00
		Add contribution re		
		Home Forces dwellings		<u>0.00</u>
				<b><u>39,997.00</u></b>

2008/2009	39,672.00
2007/2008	38,710.88
2006/2007	38,196.78
2005/2006	37,890.44





**APPENDIX A**

**CTB1 Form 2009/10: Norwich**

Completed forms should be received by CLG by 24 October 2008

	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
<b>Dwellings shown on the Valuation List for the authority on 15 September 2008</b>										
1. Total number of dwellings on the Valuation List		26,000	21,701	7,496	3,268	2,052	767	623	68	61,975
2. Number of dwellings on valuation list exempt on 6 October 2008 (Class A to W exemptions)		1,186	1,442	450	192	98	20	10	9	3,407
3. Number of demolished dwellings and dwellings outside area of authority on 6 October 2008 (please see notes)		0	0	0	0	0	0	0	0	0
4. Number of chargeable dwellings on 6 October 2008 (treating demolished dwellings etc as exempt) (lines 1-2-3)		24,814	20,259	7,046	3,076	1,954	747	613	59	58,568
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 6 October 2008		36	99	44	16	9	6	15	7	232
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	36	99	44	16	9	6	15	7		232
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)	36	24,877	20,204	7,018	3,069	1,951	756	605	52	58,568
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 6 October 2008	10	14,532	7,826	2,350	817	462	155	112	7	26,271
9. Number of dwellings in line 7 entitled to a 25% discount on 6 October 2008 due to all but one resident being disregarded for council tax purposes	1	152	209	64	26	11	4	2	0	469
10. Number of dwellings in line 7 entitled to a 50% discount on 6 October 2008 due to all residents being disregarded for council tax purposes	0	19	8	11	12	5	10	13	5	83
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 6 October 2008 (even if a lower discount has been granted in practice).		71	89	64	33	23	15	6	0	301
12. Number of dwellings in line 7 classed as long-term empty and receiving a 50% discount on 6 October 2008		2	2	0	1	0	0	0	0	5
13. Total number of dwellings in line 7 entitled to a 50% discount for Formula Grant purposes on 6 October 2008 (lines 10+11+12)	0	92	99	75	46	28	25	19	5	389
14. Number of dwellings in line 7 classed as long-term empty and receiving zero% discount on 6 October 2008		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 6 October 2008. Please enter % discount here (please see notes):	10.00	235	186	70	31	24	10	2	0	558
16. Number of dwellings in line 7 where there is liability to pay 100% council tax (lines 7-8-9-13-15)	25	9,866	11,884	4,459	2,149	1,426	562	470	40	30,881
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]	33.25	21,136.50	18,127.15	6,370.00	2,832.15	1,816.35	702.75	566.80	47.75	51,633
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)	18.5	14,091.0	14,098.9	5,662.2	2,832.2	2,220.0	1,015.1	944.7	95.5	40,978.1
20. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2008/09 (to 1 decimal place)										0
<b>21. Tax base for Formula Grant purposes (to 1 decimal place) (line 19 col 10 + line 20)</b>										<b>40,978.1</b>

**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 15 September 2008 and that it accurately reflects information available to me about exemptions, demolished dwellings etc, disabled relief and discounts applicable on 6 October 2008.

Chief Financial Officer : .....

Date : .....

**APPENDIX B**

**COUNCIL TAX BASE 2009/10 - CALCULATION OF RELEVANT AMOUNT**

<b>Relevant amount for each band = (H - Q + J) X (F divided by G)</b>	<b>Band A entitled to disabled relief reduction</b>	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Total</b>
H = Number of dwellings in the band in the valuation list on the relevant day, 30.11.2008, (adjusted for disabled reductions). Less estimate of number exempt.	36	24,912	20,186	7,032	3,062	1,953	761	603	52	58,597.00
Q = Estimate of number of discounts on the relevant day.	-2.75	-3,739.65	-2,059.85	-630.35	-220.50	-125.00	-48.35	-36.30	-4.00	-6,866.65
J = Adjustment (+/-) in respect of changes between the relevant day and 31.3.2010.  Difference <b>between</b>  (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 <b>and</b> estimate of discounts applicable on the relevant day but which will not be applicable for whole or part of year.  <b>AND</b> (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 <b>and</b> the number not exempt on the relevant day, but which will be exempt <b>and</b> estimates of discounts to be granted but not in (Q) above.	0	59.7	171.70	116.00	63.07	15.90	8.50	0.00	0.00	434.87
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) =	18.47	14,159.97	14,173.56	5,721.82	2,851.70	2,238.62	1,029.38	944.50	96.00	41,234.02





## APPENDIX C

### SUMMARY OF TAX BASE CALCULATIONS FOR EACH BAND

Band	No. of Chargeable Dwellings in Band		Calculated Relevant Amount	
	No.	%	No.	%
A	25,028	42.5%	14,178.44	34.4%
B	20,294	34.5%	14,173.56	34.4%
C	7,071	12.0%	5,721.82	13.9%
D	3,073	5.2%	2,851.70	6.9%
E	1,957	3.3%	2,238.62	5.4%
F	761	1.3%	1,029.38	2.5%
G	603	1.0%	944.50	2.3%
H	52	0.1%	96.00	0.2%
	<hr/> 58,839	<hr/> 100.0%	<hr/> 41,234.02	<hr/> 100.0%