

AGENDA ITEM 10

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

23 JANUARY 2013

REPORT OF THE HEAD OF COMMUNITIES AND NEIGHBOURHOODS

COUNCIL TAX BASE 2013/2014

1 PURPOSE OF REPORT

- 1.1 The Local Government Finance Act 1992 requires each billing authority to calculate a Council Tax Base. The base is used in determining the level of Council Tax based on budget decisions within each billing and precepting authority and in the calculation of the amount of a precept payable by each billing authority to a major precepting authority.
- 1.2 To calculate the amount of Council Tax that needs to be paid by tax payers in Melton, the budget (amount required to be raised through Council Tax) is divided by the tax base. This report calculates the tax base.

2. RECOMMENDATIONS

2.1 *It is recommended that:*

- (i) *In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amounts calculated by the Melton Borough Council as its Council Tax base for 2013-14 shall be:-*

	Band D Equivalent Properties
(i) <u>Whole Area</u>	17,496.8
(ii) <u>Part Area</u>	
<u>Parish</u>	
Ab Kettleby	231.4
Asfordby	1,005.6
Belvoir	117.3
Bottesford	1,334.6
Broughton & Old Dalby	521.6
Buckminster	127.9
Burton & Great Dalby	439.0
Clawson, Hose & Harby	1,004.1
Croxton Kerrial	221.5
Eaton	293.7
Freeby	113.1
Frisby	250.4
Kirby Bellars	148.0
Gaddesby	338.0
Garthorpe	27.4
Grimston	118.3

Hoby with Rotherby	269.8
Knossington and Cold Overton	158.2
Redmile	390.7
Scalford	244.3
Somerby	357.3
Sproxton	246.8
Stathern	274.2
Twyford and Thorpe	272.2
Waltham	416.9
Wymondham	281.2
<u>Special Expense Area</u>	
Area of former Urban District of Melton Mowbray	8,293.3
Sproxton No 2 (Stonesby) and Sproxton No 4 (Bescaby)	80.4
Broughton & Old Dalby	521.6
Frisby	250.4

(ii) That the calculation of the Council Tax Base is delegated to the Head of Central Services (Section 151 Officer) from 2014-15 and for future years.

3. KEY ISSUES

3.1 Background

3.1.1 For the purpose of billing for council tax, all properties are placed into one of eight bands (Band A to H). Properties are given a band by the Listing Officer (a part of Custom and Revenues) based on property values as at 1 April 1991.

3.1.2 The council tax base represents the number of Band D equivalent properties that exist within the Borough by converting all discounts, exemptions and property bands to the equivalent Band D value. To assist members understanding, two examples are provided below:

Example 1

There are 100 Band D properties occupied by single persons who are entitled to 25% discount. This equates to 100 properties x 75% payable = 75 Band D equivalents.

Example 2

There are 2000 Band A properties which pay 6/9 of a Band D charge. Therefore these 2000 properties equate to 2000 x 6/9 = 1333.33 Band D equivalents.

3.1.3 When all the conversions have been made the number of Band D equivalents within the Borough and Parishes is used to determine the council tax charge per Band D property.

For example:

To balance its budget the Council needs to raise £3,000,000 from council tax. The council tax base for the whole area is 18,000 Band D equivalents. Therefore the council tax charge per Band D property is $\text{£}3,000,000/18,000 = \text{£}166.66$. This base figure is then used to calculate charges for each property in the different bandings. E.g. Band A $=6/9 = 6/9 \times \text{£}166.66 = \text{£}111.11$.

3.1.4 The Local Authorities (Calculation of the Council Tax Base) (England) Regulations 2012, have provided for a revised calculation of the Council Tax Base following the abolition of Council Tax Benefit and the introduction of a Localised Council Tax Support Scheme and to take into account the Technical Changes to Council Tax as introduced by the Local Government Finance Act 2012 with effect from 1 April 2013. The calculation of the Band D equivalent properties for the whole of the area covered by Melton Borough Council and for each part (Parish and Special expense areas) have been made in accordance with the 2012 Regulations..

3.1.5 The changes that have been included in the calculation of this Tax Base follow the decisions made by members at full Council on 12 December 2012:-

- Adoption of the Localised Council tax Support scheme including maximum liability for those currently receiving 100% Council Tax Benefit is 91.5% of Council Tax Support and the removal of second adult rebate,
- From 1 April 2013, the Council adopts a discount of 50% for up to 12 months for all vacant properties that meet the existing Class A criteria. (properties that require major repairs/structural alterations)
- From 1 April 2013. The Council adopts a discount of 100% for one month (30 days) for all vacant properties that meet the existing Class C criteria.(properties that are empty and substantially unfurnished)
- From 1 April 2013 all properties identified as second homes, a 0% discount is awarded for council taxpayers with second homes
- From 1 April 2013 all properties that have been empty and unfurnished for at least two years will attract an empty homes premium of 50%. (except in certain circumstances)

3.1.6 The changes referred to above, reflects an adjusted Tax Base figure for each of the Parish Councils to take into account the introduction of the Localised Council Tax Support Scheme.

4. POLICY AND CORPORATE IMPLICATIONS

4.1 The determination of the Council Tax Base is a statutory requirement and one which has to be determined by the 31 January 2013 for the Council Tax base for 2013-14.

5. FINANCIAL IMPLICATIONS

5.1 The Council Tax Base needs to be determined to enable the Council to set the council tax for 2013-14.

6 LEGAL IMPLICATIONS/POWERS

6.1 The Local Authorities (Calculation of Council Tax Base) Regulations 12012, contain the rules for the calculation of the council tax base, which is an amount required by the Local Government Finance Act 1992 to be used in the calculation of the council tax by

billing authorities and major precepting authorities and in the calculation of the amount of a precept payable by each billing authority to a major precepting authority.

- 6.2 The regulations provide that the prescribed period for notification of the Council Tax Base for 2013-14 to a major precepting authority is the period beginning 1 December 2012 to 31 January 2013.
- 6.3 Under the rules of the regulations, the Council Tax Base is, in essence, the number of dwellings in an area belonging to each valuation band, modified to take account of the proportion applying to dwellings in each band under section 5 of the Local Government Finance Act 1992, discounts under sections 11 and 11A, increases due to the application of the empty homes premium under section 11b and in others reduced amounts payable under section 13 of the Act, as well as reductions under a Council Tax Reduction (Support) scheme required by Section 13A and the proportion of the council Tax for the year which the Billing Authority expects to be able to collect.
- 6.4 The determination of the council tax base has previously been a matter which required a Council resolution. Section 67 of the Local Government Act 2003 has amended the Local Government Finance Act 1992 so that a full council meeting is no longer required to adopt the council tax base and it is for each local authority to make its own arrangements for adopting the council tax base. It was resolved at the Council meeting of 14 January 2004 to delegate future decisions regarding the setting of the council tax base to this Committee. However, it is recommended in this report that in accordance to the provisions laid down by the Local Government Act 1972, that the setting of the Council Tax Base for 2014-15 and future years is delegated to the head of Central Services as the Section 151 Officer.

7 COMMUNITY SAFETY

- 7.1 There are no links to community safety.

8 EQUALITIES

- 8.1 There are no equalities issues as the determining of the tax base covers the whole of the Borough.

9 RISKS

- 9.1 There are no risks as identified by this report.

Probability



Very High A				
High B				
Significant C				
Low D				
Very Low E			1	
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

Impact →

Risk No.	Description
1	Council not approving calculation of Council tax base

10 CLIMATE CHANGE

10.1 There are no climate change implications arising from this report.

11 CONSULTATION

11.1 All Parish Councils were invited to two meetings held on 8 January 2013, where a presentation was undertaken to explain the impact of the legislative changes on the Tax Base for each Parish Council and also how the Council proposed to distribute the funding for Parish Councils provided by the Government.

12 WARDS AFFECTED

12.1 All wards are affected.

Contact Officer: M Bowen
Date: 3 January 2013

Appendices : None

Background Papers: Various Northgate reports
The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.