

ASSEMBLY
14 January 2013

Title: Calculation and Setting of the Council Tax Base for 2013-14	
Report of: Cabinet Member for Finance	
Open	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Jonathan Bunt, Divisional Director - Finance	Contact Details: Tel: 020 8724 8427 E-mail: jonathan.bunt@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director, Finance	
Accountable Director: The Chief Executive	
Summary: <p>This report seeks approval of the Authority's Council Tax Base for 2013-14. This report sets out the calculation of the Council Tax Base for 2013-14 and provides information on powers available to the Council to set discounts and exemptions for various classes of property and to award locally determined discounts.</p>	
Recommendation(s) <p>The Assembly is asked to agree:</p> <ol style="list-style-type: none">1. That in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by the London Borough of Barking & Dagenham Council as its Tax Base for the year 2013-14 shall be 39,955.66 Band 'D' properties. This is subject to approval of the Council Tax Support Scheme and new rules on empty properties set out in the report to Assembly titled 'Localising Support for Council Tax in England – Final Scheme' to be presented on 14 January 2013.2. That discounts and exemptions applied in calculating the tax base are those recommended in the report named above and those prescribed by statute.3. That no locally determined discounts based on categories of property or occupier be awarded for 2013-14. This is consistent with previous decisions of the Council.4. That there should be no award of reductions for prompt payment during 2012-13. This is consistent with previous decisions of the Council.	
Reason(s) <p>The Council has a duty to set a Tax Base for Council Tax purposes by 31 January each year under Section 67 of the Local Government Finance Act 1992. It will ensure that the Policy House aim of ensuring a well run organisation is met.</p>	

1. Introduction and Background

- 1.1 The Tax Base must be conveyed to the major precepting Authorities by 31 January prior to the start of the financial year.
- 1.2 The Tax Base must be calculated in accordance with regulations made by the Secretary of State under Section 33(5) of the Local Government Finance Act 1992 and The Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.3 The regulations set a prescribed period for the calculation of the tax, which is between the 1 December and 31 January in the financial year preceding that for which the calculation of the council tax base is made. The data used in the calculation must be that held by the Council as at 30 November.
- 1.4 **Appendices A and A1** set out the Calculation of Tax Base.

2. Proposal and Issues

- 2.1 The Government brought in legislation (Local Government Finance Act 2012) to allow local authorities discretion over the level of exemptions and discounts allowed on empty properties.
- 2.2 Table 1 below sets out the proposed changes to exemptions and discounts on empty homes recommended to the Council in the 14 January Assembly report 'Localising Support for Council Tax in England – Final Scheme'.
- 2.3 This table illustrates the additional income if 100% of the extra charge could be collected but it is estimated that a more realistic level of income from these changes would be £500K. The estimates are based on actual exemptions awarded in 2011/12 and will be different when based on actual empty properties in 2013/14.

Table 1

Class of property	Current status	Proposed status	Estimated additional income
Second Homes	A discount of 10% for up to 1 year	A discount of 10% for up to 1 month only	18K
Class A – undergoing major repair	100% exemption for up to 1 year	100% exemption for up to 1 month only	82K
Class C – unoccupied and unfurnished	100% exemption for up to 6 months	100% exemption for up to 1 month only	763K
Long Term Empty Properties	Full Council Tax liability is charged	After 2 years empty a premium of 50% charged	27K
Total			890K

3. Options Appraisal

- 3.1 In December 2008 the Assembly accepted a recommendation not to award reductions for prompt and non-cash payments for 2009/10 but to reconsider the possibility of this in future years.

- 3.2 Under regulation 25 of the Council Tax Administration and Enforcement Regulations, a billing authority may set a resolution on or before the date that the Council Tax is set, that will allow a scheme to be run which would allow Council Tax payers to receive a discount for paying their Council Tax by a specified date / day, in one lump sum.
- 3.3 Changes made in the Local Government Finance Act 2012 allowed local changes to be made to discounts and exemptions on empty properties. The changes proposed are detailed above.
- 3.4 By the same Act a new Council Tax Support Scheme is required from 1 April 2013. This is detailed in the Assembly report 'Localising Support for Council Tax in England – Final Scheme'.
- 3.5 The Council Tax Base detailed in this report includes the changes to empty properties and the new Council Tax Support Scheme as detailed above.

4. Consultation

- 4.1 None

5. Financial Implications

- 5.1 The financial implications are set out in **Appendix A** to this report (Calculation of Tax Base).

6. Legal Implications

- 6.1 The legal context and implications are summarised within sections 1 - 3 of this report.

7 Background Papers Used in the Preparation of the Report:

- 7.1 Assembly Report - 'Localising Support for Council Tax in England – Final Scheme'
Local Government Finance Act 2012

List of appendices:

- Appendix A – Council Tax Base 2013-14
- Appendix A1- Council Tax Base Data 2013-14