



East  
Northamptonshire  
Council

## Council – 7 January 2013

### Council Tax Base 2013-14

#### Purpose of report

This report sets out the Council's estimated tax base for the financial year 2013/14.

#### Attachment(s)

Appendices 1 and 2 - Estimated Billing Authority and Parish tax bases.

#### 1.0 Introduction

- 1.1 Each year, the Council has to formally approve the estimated tax base to be used for calculating the council tax for the forthcoming year. Appendix 1 attached shows the calculation for the District, and Appendix 2 lists the parish tax bases.
- 1.2 During 2012/13 the Council has developed a Local Council Tax Support Scheme that will replace the current benefit system. The new scheme will take effect from 1 April 2013.
- 1.3 As a result of the implementation of this local scheme the tax base must reflect the changes to the discounts that will be granted under that scheme. It must also reflect any decisions that are made as a result of the Council Tax Technical Reforms legislation to reduce council tax discounts and exemptions and levy a premium on long-term empty properties.
- 1.4 These changes also have to be included in the individual town and parish taxbases. In order to ensure certainty over funding for towns and parishes, the Government is introducing new funding arrangements. A briefing note was sent to the town and parish councils in December and officers will continue to work closely with them.

#### 2.0 Tax base for 2013/14

- 2.1 The tax base used in the calculation of Revenue Support Grant (RSG) is 30,757. The RSG tax base is a 'snapshot' of the council tax banding as at 10 September 2012, together with the single adult, empty property and other discounts taken at 1 October.
- 2.2 The estimated Billing Authority tax base for 2013/14 is 28,140 compared to 30,700 for 2012/13. (30,500 in 2011/12).
- 2.3 The proposed tax base for 2013/14 is much lower than previous years. This lower tax base takes into account the impact of the new local council tax support scheme and the reduced provision for collection. It should be noted, however, that the changes to discounts and exemptions as described below will serve to partly mitigate this reduction.
- 2.4 As a result of the changes it is anticipated that there will be difficulties in collecting council tax from those who have previously not had to pay. For this demographic, we have assumed a prudent collection rate of 70%. The impact of this on the overall collection rate is to reduce it from 99.2%, (the current collection rate) to 98.2% overall.
- 2.5 The billing authority tax base differs from the RSG tax base in that it includes provision for changes between now and March 2014, such as the new local council tax support

scheme that replaces the previous national benefit scheme from 1 April 2013, new properties, decisions made under the Council Tax Technical Reforms legislation and the small provision for non-collection.

2.6 To offset the tax base reductions and support the local council tax scheme the Council will receive grant funding, equivalent to 90% of previous funding. It is anticipated that the net financial effect of all these factors will be positive for the Council.

### 3.0 Changes to council tax discounts and exemptions

3.1 In July 2012, Members resolved to reduce the Council Tax discount on long-term empty homes from 50% to zero. That change will take effect from 1 April 2013 and is reflected in the tax base.

3.2 The Local Government Finance Act 2012 introduced various changes to council tax discounts and exemptions. This will mean that the Council could raise over £700,000 extra council tax from owners of empty homes. The government is encouraging Councils to apply these new powers in order to offset the reduction in funding for the Local Council Tax Support scheme.

3.3 Properties that require or are undergoing renovation and unoccupied/unfurnished properties will no longer be entitled to a statutory exemption from Council Tax. Instead, Councils can charge up to 100%.

3.4 The discount on furnished second homes can be reduced from 10% to zero.

3.5 A premium of 150% can be applied to properties that have been unoccupied for two years.

3.6 The Council has an empty property strategy that seeks to return empty properties to the market place. Empty properties can blight a neighbourhood, encouraging vandalism and crime. In areas where there are insufficient homes to meet demand, empty properties only exacerbate the situation. Increasing the amount of council tax payable on an empty property may encourage the owner to bring the property back into use.

3.7 In order to ease financial pressures and support the Council's empty property strategy, it is anticipated that Members will wish to exercise these new powers to their maximum effect. Thus these changes are included in the Council Tax Base.

3.8 These exemptions and discounts are summarised below

<b>Exemption/Discount</b>	<b>Council Tax paid under current scheme</b>	<b>Council Tax paid under this option</b>
<b>Second Homes</b> Furnished but main home elsewhere or empty	90%	100%
<b>Uninhabitable</b> Empty requiring major repair work	None for a year Then 50%	100%
<b>New, empty and Unfurnished</b> Any unfurnished and unoccupied property	None for 6 months Then 50%	100%
<b>Long term empty</b> Unoccupied and unfurnished	None for 6 months Then 100%	After 2 years of being empty 150%

3.9 The Welfare Reform Sub Committee resolved to recommend these changes at its meeting on the 11 December 2012. This recommendation is considered elsewhere on this agenda.

#### 4.0 Equality and diversity implications

4.1 There are no equality and diversity implications.

#### 5.0 Legal implications

5.1 It is a statutory requirement for the council to set a council tax base each year.

#### 6.0 Financial implications

6.1 The council tax base is a forecast of the council's tax-raising potential over the next financial year. It needs to reflect as accurately as possible what the actual position will be. There are no additional cost implications.

#### 7.0 Risk management

7.1 There is an element of risk due to the late release of legislation and guidance. This is also the first year of a new, untested, local council tax support scheme. However, officers have endeavoured to mitigate much of the risk by making realistic assumptions and exercising prudence in terms of the impact of these changes on the council tax collection rate.

#### 8.0 Recommendations

8.1 That after considering the calculation of the estimated tax base, Members resolve to adopt a tax base of 28,140 for the year 2013/14.

8.2 That Members resolve to charge 100% council tax for properties that require or are undergoing renovation and empty/unfurnished properties.

8.3 That Members resolve to reduce the discount for furnished second homes from 10% to zero.

8.4 That Members resolve to apply a premium of 150% council tax on properties that have been unoccupied for two years.

<b>Legal</b>	Power: Local Government Finance Act 1992, Local Government Act 2003, Local Government Finance Act 2012 and associated regulations.				
	Other considerations:				
<b>Background Papers:</b> Taxbase working papers					
<b>Person Originating Report:</b> Richard Hadden					
<b>Date:</b> 6 December 2012					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 22)

**Billing Authority Tax Base**

Item 12 - Appendix 1

<b>BAND</b>	<b>Band A Disabled</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>TOTAL</b>
<b>Dwellings</b>		<b>9,160</b>	<b>10,240</b>	<b>6,042</b>	<b>4,839</b>	<b>3,556</b>	<b>2,261</b>	<b>1,335</b>	<b>133</b>	<b>37,566</b>
Exemptions		80	78	66	62	52	60	28	1	427
Disabled Relief		14	33	31	21	31	19	15	6	170
Disabled Relief	14	33	31	21	31	19	15	6	<b>0</b>	170
<b>Chargeable Dwellings</b>	<b>14</b>	<b>9,099</b>	<b>10,160</b>	<b>5,966</b>	<b>4,787</b>	<b>3,492</b>	<b>2,197</b>	<b>1,298</b>	<b>126</b>	<b>37,139</b>
Discounts 25%		4,167	3,500	1,600	956	524	264	152	8	11,171
Discounts 50%		5	4	8	5	6	8	13	5	54
Dwellings - no discount	<b>14</b>	<b>4,927</b>	<b>6,656</b>	<b>4,358</b>	<b>3,826</b>	<b>2,962</b>	<b>1,925</b>	<b>1,133</b>	<b>113</b>	<b>25,914</b>
Other adjustments		0			56					56
150% premium		67	42	48	15	11	7	6	1	197
Less LCTS	7	1,984	1,449	384	150	74	25	6	0	4,079
<b>Total equivalent dwellings</b>	<b>7</b>	<b>6,104</b>	<b>7,855</b>	<b>5,202</b>	<b>4,459</b>	<b>3,290</b>	<b>2,106</b>	<b>1,251</b>	<b>122</b>	<b>30,395</b>
	<b>5/9</b>	<b>6/9</b>	<b>7/9</b>	<b>8/9</b>	<b>1</b>	<b>11/9</b>	<b>13/9</b>	<b>15/9</b>	<b>18/9</b>	
<b>BAND D EQUIVALENTS</b>	<b>5</b>	<b>4,070</b>	<b>6,109</b>	<b>4,624</b>	<b>4,459</b>	<b>4,021</b>	<b>3,041</b>	<b>2,084</b>	<b>244</b>	<b>28,657</b>

Total Band D	28,657
Collection Rate	0.982
Tax Base	28,141

<b>Parish</b>	<b>Taxbase</b>
Aldwincle	151
Apethorpe	93
Ashton	102
Barnwell	164
Benefield	162
Blatherwycke	24
Brigstock	502
Bulwick	85
Chelveston	188
Clopton	57
Collyweston	206
Cotterstock	83
Deene	28
Deenethorpe	71
Denford	135
Duddington	74
Easton	414
Fineshade	17
Fotheringhay	73
Glaphorn	132
GT Addington	130
Hargrave	116
Harringworth	132
Hemington	43
Higham Ferrers	2,473
Irthlingborough	2,392
Islip	273
Kings Cliffe	464
Laxton	60
Lilford	52
LT Addington	138
Lowick	129
Luddington	32
Lutton	55
Nassington	328
Newton Bromswold	29
Oundle	1,942
Pilton	30
Polebrook	192
Raunds	2,496
Stanwick	661
Ringstead	464
Rushden	8,475
Rushden (Ouse)	231
Southwick	73
Stoke Doyle	34
Sudborough	103
Tansor	97
Thorpe Achurch	76
Thrapston	1,971
Thurning	44
Titchmarsh	232
Twywell	75
Wadenhoe	54
Wakerley	40
Warmington	401
Woodford	477

Woodnewton	218
Yarwell	144
<b>TOTAL</b>	<b>28,140</b>