

CABINET – 12 JANUARY 2012**CALCULATION OF COUNCIL TAX BASE**

Report of the: Deputy Chief Executive & Director of Corporate Resources

Status: For Decision

Executive Summary:

This report sets out details of the calculation of the District's tax base for council tax setting purposes. These figures are used to determine tax rates for each of the council tax bands once the Council's budget requirement is known. The report also advises Members of the timetable for setting the 2012/13 council tax.

This report supports the Key Aim of efficient management of the Council's resources.

Portfolio Holder Cllr. Ramsay

Head of Service Head of Finance and Human Resources - Mrs. Tricia Marshall

Recommendation: It be RESOLVED that:

- (a) The report of the Deputy Chief Executive & Director of Corporate Resources for the calculation of the Council's tax base for the year 2012/13 be approved;
- (b) pursuant to the report of the Deputy Chief Executive & Director of Corporate Resources and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2012/13 shall be 50,860.03;
- (c) pursuant to the report of the Deputy Chief Executive & Director of Corporate Resources and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2012/13 for the calculation of local precepts shall be:

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,550.68
Brasted	757.79
Chevening	1,459.76
Chiddingstone	601.38
Cowden	422.68
Crockenhill	704.56

Dunton Green	908.63
Edenbridge	3,651.85
Eynsford	944.65
Farningham	636.50
Fawkham	286.36
Halstead	780.58
Hartley	2,589.29
Hever	621.48
Hextable	1,705.33
Horton Kirby & South Darent	1,379.27
Kemsing	1,878.86
Knockholt	619.39
Leigh	842.37
Otford	1,737.97
Penshurst	847.24
Riverhead	1,241.36
Seal	1,237.28
Sevenoaks Town	9,282.55
Sevenoaks Weald	627.15
Shoreham	1,025.55
Sundridge	950.23
Swanley	6,090.99
Westerham	2,072.09
West Kingsdown	2,406.21

- (d) any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish or community council or the chairman of a parish meeting shall not be treated as special expenses for the purposes of section 35 of the Local Government Finance Act 1992.

Background

- 1 In previous years, the tax base, which is used to determine council tax bills, had to be adopted by a meeting of the Full Council. Section 84 of the Local Government Act 2003 has now removed this requirement and it is for each

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billing authority to make its own arrangements for adopting the council tax base.

- 2 The Council is required to calculate a tax base figure for the Department for Communities & Local Government (DCLG) for Revenue Support Grant (RSG) purposes. This is based on the valuation list as at 12th September 2011 and occupancy information at 3rd October 2011. The tax base for tax setting purposes is based on information available in December 2011. In addition, other factors may be taken into account to reflect likely changes to the tax base during 2012/13. These factors include:-
 - An allowance for changes in the amount of disabled relief
 - An allowance for changes in the number of exempt properties
 - An estimate of the number of new properties liable to council tax
 - An estimate of the number of properties ceasing to be liable to council tax
 - An allowance for changes in the number of single person discounts
 - An allowance for the effect of appeals by taxpayers on the banding of their properties
- 3 It has always been the practice to assume that these items will be self-balancing and hence no adjustment to the overall tax base was made other than the usual allowance for non-collection. Over the last few years the tax base has been rising due to new properties being built. However, the rate of increase is not significant enough to warrant a change from the self-balancing assumption.

Detailed Calculations

- 4 The previous year's tax base calculation assumed a 99.5% collection rate, which also allowed for some movement in the items mentioned in Paragraph 2. The impact of the current economic downturn on the future collection rate has been assessed but it is considered reasonable to leave the collection rate at 99.5% for 2012/13. The provision that has accumulated up to now should be sufficient to meet any losses through non-collection.
- 5 The second column of the table below sets out the number of band D equivalents based on the valuation list and occupancy information at 1st December 2011 for each parish, together with a summary for the District. The figures are then subjected to the collection rate adjustment in column 3 to arrive at the tax base for council tax setting purposes appearing in column 4. The corresponding figures for 2011/12 appear in column 5.

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<u>(1)</u> <u>Parish</u>	<u>(2)</u> <u>Band D</u> <u>Equivalents</u>	<u>(3)</u> <u>Collection</u> <u>Rate</u> <u>Multipliers</u>	<u>(4)</u> <u>Tax base</u> <u>2012/13</u>	<u>(5)</u> <u>Tax base</u> <u>2011/12</u>
Ash-cum-Ridley	2,563.50	0.995	2,550.68	2,555.06
Brasted	761.60	0.995	757.79	755.90
Chevening	1,467.10	0.995	1,459.76	1,459.17
Chiddingstone	604.40	0.995	601.38	593.92
Cowden	424.80	0.995	422.68	410.64
Crockenhill	708.10	0.995	704.56	703.96
Dunton Green	913.20	0.995	908.63	900.08
Edenbridge	3,670.20	0.995	3,651.85	3,624.98
Eynsford	949.40	0.995	944.65	944.85
Farningham	639.70	0.995	636.50	629.64
Fawkham	287.80	0.995	286.36	286.66
Halstead	784.50	0.995	780.58	764.96
Hartley	2,602.30	0.995	2,589.29	2,591.48
Hever	624.60	0.995	621.48	616.30
Hextable	1,713.90	0.995	1,705.33	1,712.10
Horton Kirby & South Darenth	1,386.20	0.995	1,379.27	1,342.85
Kemsing	1,888.30	0.995	1,878.86	1,861.65
Knockholt	622.50	0.995	619.39	614.91
Leigh	846.60	0.995	842.37	844.76
Otford	1,746.70	0.995	1,737.97	1,743.54
Penshurst	851.50	0.995	847.24	823.66
Riverhead	1,247.60	0.995	1,241.36	1,242.36
Seal	1,243.50	0.995	1,237.28	1,231.81
Sevenoaks Town	9,329.20	0.995	9,282.55	9,226.73
Sevenoaks Weald	630.30	0.995	627.15	626.55

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Shoreham	1,030.70	0.995	1,025.55	1,021.17
Sundridge	955.00	0.995	950.23	945.45
Swanley	6,121.60	0.995	6,090.99	6,050.79
Westerham	2,082.50	0.995	2,072.09	2,049.40
West Kingsdown	2,418.30	0.995	2,406.21	2,399.24
TOTALS	51,115.60		50,860.03	50,574.57

- 6 The Council has previously resolved that its expenses are to be treated as general expenses. In addition the Council has formally to approve what are to be regarded as special expenses now that parish precepts are treated as part of the District Council's general fund and therefore its budget requirement.

Timetable for Setting the Tax

- 7 The County Council, Police Authority and Fire and Rescue Service have advised me of their budget meeting dates for 2012/13. These are:

County Council	9th February 2012
Police Authority	8th February 2012
Fire and Rescue Service	15th February 2012

- 8 The council tax for the Sevenoaks area cannot be set before the Fire, Police or County precepts have been ratified. There are several dates laid down in regulations on, or by which, certain tasks in relation to the budget process and tax setting have to be carried out. These key dates appear in the Appendix.
- 9 As part of the tax setting process, the Council is required to make an estimate of the collection fund surplus or deficit at 15th January 2012 or the first working day after this, for the year ending 31st March 2012.
- 10 The amount of any surplus or deficit which a billing authority estimates in its collection fund will not remain in the collection fund but will be shared and taken into account by both billing and major precepting authorities in calculating their basic amounts of council tax for 2012/13.
- 11 In estimating any surplus or deficit, items relating to community charge will not be taken into account. These are to remain with the billing authority and will be taken into account by it in calculating its basic amount of council tax for the year.
- 12 An authority's share of any surplus or deficit relating to council tax is to be in the same proportion as its demand bears to the total demand and precepts on the collection fund for 2011/12. Payment is to be made during 2012/13 on the same dates as precept payments.

Key Implications

Financial

13 There are no financial implications

Legal, Human Rights etc.

14 None.

Conclusions

15 Members are asked to approve the calculation of the District's taxbase for council tax setting purposes and to note the timetable for setting the 2012/13 council tax.

Risk Assessment Statement

16 Calculation of the tax base for the District is a statutory requirement. The information is used by other authorities in setting their precepts. The actual tax base will vary during the year as new properties are built and exemptions and discounts are granted or withdrawn. Any difference in the revenue raised to that needed to pay precepts remains in the collection fund to be distributed to or collected from major precepting authorities in the following year.

Sources of Information: Reports from council tax computer system
Returns to DCLG
Correspondence with KCC, Police and Fire Authorities
Collection Fund Accounts.

Contact Officer(s): Roy Parsons ext. 7204

DR. PAV RAMEWAL
DEPUTY CHIEF EXECUTIVE & DIRECTOR OF CORPORATE RESOURCES

KEY DATES IN THE COUNCIL TAX SETTING PROCESS

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|-------|---|--|
| i) | By 14th October 2011 | Notify tax base for grant settlement purposes to Department for Communities & Local Government (DCLG) |
| ii) | During December 2011 | DCLG notifies schedule of payment dates for Revenue Support Grant (RSG) and Non-Domestic Rates (NDR). DCLG notifies the NDR multiplier (rate in £) for 2012/13 |
| iii) | By 31st December 2011 | Issue proposed schedule of payment dates to precepting authorities |
| iv) | By 31st January 2012 | Agree actual schedule of precept payment dates |
| v) | Between 1st December 2011 and 31st January 2012 | Notify tax base for tax setting purposes to KCC, Fire and Police Authorities |
| vi) | On 16th January 2012 | Estimate collection fund surplus or deficit for year and calculate the amount to be shared between SDC, KCC, Fire and Police Authorities (where applicable) |
| vii) | By 23rd January 2012 | Notify KCC, Fire and Police Authorities of their shares of the surplus or deficit and when amounts are to be paid or transferred during 2012/13 (where applicable) |
| viii) | During January and February 2012 | Notify Town/Parish Councils of tax bases for their areas within 10 days of them making such a request |
| ix) | During February 2012 | DCLG notifies entitlements and payment dates of Formula Spending Share (FSS), RSG and NDR |
| x) | By 1st March 2012 | County, Fire and Police Authorities, Town and Parish Councils issue their precepts |
| xi) | By 11th March 2012 | District sets council tax for 2012/13, taking account of its own budget requirement and those of the precepting authorities |

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