



Northumberland

County Council

CABINET

13 DECEMBER 2022

SETTING OF THE COUNCIL TAX BASE 2023-24

Report of Jan Willis, Interim Executive Director of Finance & Section 151 Officer

Cabinet Member: Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Purpose of report

The purpose of this report is to advise Cabinet of the tax base calculation for 2023-24 for all domestic properties liable to pay council tax.

The tax base must be set by the statutory deadline of 31 January 2023.

Recommendation

Cabinet is recommended to approve the council tax base for 2023-24 as detailed within Appendix A equating to 110,152.30 Band D equivalent dwellings. This is an increase of 1,546.81 Band D equivalents from 2022-23.

Link to Corporate Plan

Setting the council tax base is the first stage in the setting of council tax.

Key issues

1. The Council Tax Base is a measure of the Council's taxable capacity for the setting of its council tax, and legislation sets out the formula for the calculation and the requirement that the tax base is formally approved.
2. The gross tax base is based on actual figures taken from the Council Tax system and the Valuation List at the time of the calculation of the statutory CTB (October 2022) return required by the Department for Levelling Up, Housing and Communities.
3. The Council Tax Base for 2023-24 is 110,152.30 and has increased by 1,546.81 Band D equivalents from 2022-23. A breakdown of how this affects each individual parish area and compares to their 2022-23 tax base is included at Appendix B.
4. The main changes from 2022-23 are:
 - a. there were 1,097 more dwellings in the County shown in the Valuation List on 12 September 2022;

- b. there were 764 more dwellings subject to a 25% reduction on the grounds of single person discount on 3 October 2022;
 - c. there were 41 more uninhabitable dwellings on 3 October 2022;
 - d. there were 990 fewer equivalent number of dwellings entitled to council tax support on 3 October 2022;
 - e. there were 57 less dwellings subject to the Empty Homes Premium on 3 October 2022.
- 5. The tax base for 2023-24 must be approved by 31 January 2023.
 - 6. The tax base must also be notified to the Police and Crime Commissioner for Northumbria by 31 January 2023 to be used to set their council tax precept.

Background

- 7. Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended) require the Council to calculate a council tax base for each financial year.
- 8. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012, and applies to the financial years beginning 1 April 2013 onwards, contain the rules which require the Council to calculate the Council Tax Base.
- 9. Section 84 of the Local Government Act 2003 allows the calculation or determination to be delegated to a committee or an officer of the Council.
- 10. Following approval at County Council on 4 November 2015, Cabinet has delegated authority to approve the tax base.
- 11. The Council Tax Base is a measure of the Council's taxable capacity for the setting of its council tax, and legislation sets out the formula for the calculation and the requirement that the tax base is formally approved.
- 12. The Council Tax Base is the number of Band D equivalent dwellings in Northumberland. To calculate the tax base the number of dwellings in each council tax band is adjusted to take account of any discounts, exemptions or premiums. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated.
- 13. There were 158,558 dwellings in Northumberland (as at 12 September 2022) and they are included in one of eight council tax valuation bands from Band A to Band H.
- 14. For calculating the council tax base, dwelling numbers are recalculated into a common base of Band D equivalents.

15. Section 1 of Appendix A shows the number of domestic dwellings in the County which the Valuation Office Agency has allocated to each of the eight valuation bands. It then shows adjustments in respect of demolished dwellings or dwellings to be removed from the Valuation List, for example holiday lets transferring to Business Rates, and relief for disabled residents. Disabled Band Relief is granted where a dwelling meets qualifying criteria in relation to facilities provided for a disabled resident. These dwellings are treated as being in the valuation band one lower than the actual valuation band of the dwelling.
16. Section 2 of Appendix A shows an analysis of the dwellings (as at 3 October 2022) between those liable to the full council tax charge and those subject to a discount, exemption, council tax support or premium.
17. Section 3 of Appendix A converts the dwellings into full unit equivalents having regard to the eligibility for discounts, exemptions, council tax support and premiums summarised in Section 2.
18. Section 4 of Appendix A shows the ratio of the tax liability of a dwelling in that band to one in the average valuation band, i.e. Band D.
19. Section 5 of Appendix A converts the full unit equivalents set out in Section 3 into “Band D Equivalents” by multiplying them by the ratios set out in Section 4.
20. Section 6 of Appendix A shows the number of Band D equivalent dwellings where a contribution in lieu of council tax is received for Ministry of Defence dwellings.
21. Section 7 of Appendix A shows the Gross Tax Base before an allowance for non-collection is applied.
22. Section 8 of Appendix A shows the adjustment for non-collection percentage.
23. Section 9 of Appendix A shows the Council Tax Base figure for 2023-24 in Band D equivalents.

Implications

Policy	There are two policies that impact on the tax base calculation: The Council Tax Discounts Policy approved by County Council on 23 February 2022; and the Council Tax Support Scheme 2023-24 approved by County Council on 2 November 2022.
Finance and value for money	The Council Tax Base is used to measure the taxable capacity for use when setting the amount to be raised from Council Tax.
Legal	Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 prescribes the formula for calculating the tax base. Section 84 of the Local Government Act 2003 allows the calculation or determination to be delegated to a committee or an officer of the Council.
Procurement	There are no procurement implications as a result of this report.
Human Resources	There are no HR implications as a result of this report.
Property	There are no property implications as a result of this report.
Equalities (Impact Assessment attached) N/A	There are no equalities implications as a result of this report.
Risk Assessment	There is a risk that the council tax base could be set at a level that results in a shortfall of income when council tax levels are set. An allowance for non-collection will minimise that risk and the budget will be subject to risk appraisal before final recommendation is made to County Council.
Crime & Disorder	There are no crime and disorder implications as a result of this report.
Customer Consideration	There are no customer consideration implications as a result of this report.
Carbon reduction	There are no carbon reduction implications as a result of this report.
Health & Wellbeing	There are no health and wellbeing implications as a result of this report.
Wards	The council tax base covers all wards in Northumberland.

Background papers

The Local Government Finance Act 1992

Local Government Act 2003 – Section 84

Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012
CTB (October 2019)

Council Tax Discounts Policy approved by County Council on 23 February 2022

Council Tax Support Scheme for 2023-24 approved by County Council on 2

November 2022

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

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