

**SETTING THE COUNCIL TAX FOR 2012/13**

**3. Background**

Sections 31A to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 provide for the calculation of a billing authority's Council Tax in accordance with specified formulae.

**4. Key Issues**

**4.1 Council Tax Requirement**

The Borough Council's recommended Council Tax Requirement for its own purposes is £5.776 million.

**4.2 Feckenham Parish Council Precept**

In calculating its Council Tax Requirement a billing authority has to take account of the amount of any precept issued to it for the year concerned by a local precepting authority. Feckenham Parish Council has notified the Borough Council that its precept for 2012/13 will be £8,300.

**4.3 Revenue Support Grant (RSG) and Redistributed Non Domestic Rates (NDR)**

Amounts of RSG and NDR are also taken into account in the calculation of the Council Tax Requirement.

The Minister of State has announced that Redditch's RSG entitlement for 2012/13 will be £80,099

Local businesses pay rates calculated by multiplying their rateable value by a national multiplier (specified by the government). The Council collects the proceeds (as agents of the government) which are pooled nationally and redistributed back to local authorities on the basis of a fixed amount per head of population. Redditch's entitlement for 2012/13 has been set at £4,132,050.

4.4 Collection Fund Surplus

Under Sections 97(3) and 97(4) of the Local Government Finance Act 1988 any estimated surplus or deficit on the collection fund at the 31st of March 2012 is to be taken into account by the billing authority in calculating its Council Tax for the year beginning the 1st of April 2012. It is estimated that there will be no surplus or deficit at the 31st of March.

4.5 Collection Fund Tax Base

The Executive meeting on the 10th of January 2012 set the Council Tax Base for 2012/13 at 27,611.67 Band D equivalent properties for the whole of the Borough. The calculation is reproduced later in this appendix.

4.6 Calculation of the Borough Council Element of the Council Tax for 2012/13

This is prescribed by formulae contained in Sections 31B and 34 of the Act. The results of applying the formulae to the above data are detailed later in this appendix.

The average Council Tax for Redditch will be £209.18 as detailed in the Appendix subject to any further decisions taken by the Committee. When compared to the 2011/12 tax there is no increase.

The Council Tax Requirement has increased by 0.2%, whereas the external funding (RSG and redistributed NDR) provided by the Government has decreased by 10.3% when compared to the actual Formula Grant for 2011/12.

REDDITCH BOROUGH COUNCIL

**EXECUTIVE  
COMMITTEE**

**Appendix A**

20th February 2012

**REDDITCH BOROUGH COUNCIL TAX BASE 2012/13**

	<b>Band A-</b>	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
Number of dwellings(on CTB return)		7,495	11,666	7,202	4,207
Valuation List changes during year		6	38	19	18
Exempt dwellings		-256	-224	-116	-61
Net disabled relief	13	36	-13	-9	-7
<b>Number of chargeable dwellings</b>	<b>13</b>	<b>7,281</b>	<b>11,467</b>	<b>7,096</b>	<b>4,157</b>
Number of dwellings entitled to 25% discount	5	4,185	3,838	1,954	897
Number of dwellings entitled to 50% discount		123	99	45	32
Number of dwellings entitled to no discount	8	2,973	7,530	5,097	3,228
Discount deduction	1.25	1,107.75	1,009.00	511.00	240.25
<b>Net chargeable dwellings</b>	<b>11.75</b>	<b>6,173.25</b>	<b>10,458.00</b>	<b>6,585.00</b>	<b>3,916.75</b>
Ratio to Band D	5/9	6/9	7/9	8/9	1
<b>Relevant Amount (Band D equivalent)</b>	<b>6.53</b>	<b>4,115.50</b>	<b>8,134.00</b>	<b>5,853.33</b>	<b>3,916.75</b>

	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Total</b>
Number of dwellings	3,116	1,122	429	20	35,257
Valuation List changes during year		1			82
Exempt dwellings	-18	-14	-6		-695
Net disabled relief	-3	-12	-1	-4	0
<b>Number of chargeable dwellings</b>	<b>3,095</b>	<b>1,097</b>	<b>422</b>	<b>16</b>	<b>34,644</b>
Number of dwellings entitled to 25% discount	441	148	38	1	11,507
Number of dwellings entitled to 50% discount	21	9	16	1	346
Number of dwellings entitled to no discount	2,633	940	368	14	22,791
Discount deduction	120.75	41.50	17.50	0.75	3,049.75
<b>Net chargeable dwellings</b>	<b>2,974.25</b>	<b>1,055.50</b>	<b>404.50</b>	<b>15.25</b>	<b>31,594.25</b>
Ratio to Band D	11/9	13/9	15/9	18/9	
<b>Relevant Amount (Band D equivalent)</b>	<b>3,635.19</b>	<b>1,524.61</b>	<b>674.17</b>	<b>30.50</b>	<b>27,890.58</b>
				Collection rate	99.00%
				<b>Tax base</b>	<b>27,611.67</b>

**Calculation of the Council Tax 2012/13**

**Stage 1 - Calculation of tax for Band D assuming no parish area (Section 31(B)(1) Local Government Act 1992)**

Formula: 
$$\frac{R}{T}$$

Where: R = Council Tax Requirement

T = Council Tax base

$$\begin{array}{r} \underline{\pounds 5,784,189} \\ 27,611.67 \\ = \pounds 209.4835 \text{ (Basic Amount of Tax)} \end{array}$$

**Stage 2 - Calculation of tax for Band D for areas with no parish precept (Section 34(2) Local Government Act 1992)**

Formula: 
$$B - \frac{A}{T}$$

Where: B = Basic Amount of Tax

A = Parish Precepts

T = Tax base

$$\begin{array}{r} \pounds 209.4835 - \underline{\pounds 8,300} \\ 27,611.67 \\ = \pounds 209.1829 \end{array}$$

**Stage 3- Calculation of tax for Band D for areas with parish precept (Section 34(3) Local Government Act 1992)**

Formula: 
$$C + \frac{S}{TP}$$

Where: C = Council Tax for areas without parish precept

S = Parish Precept

TP = Tax base for parish

$$\begin{array}{r} \pounds 209.1829 + \underline{\pounds 8,300} \\ 363.60 \\ = \pounds 232.0102 \end{array}$$

**Stage 4 - Calculation of tax for valuation bands (Section 36  
Local Government Act 1992)**

Formula:  $A \times \frac{N}{D}$

Where: A = Council Tax for Band D  
N = Valuation Band proportion  
D = Band D proportion

<b>Band</b>	<b>Proportion</b>	<b>Redditch</b>	<b>Feckenham</b>
<b>A</b>	<b>6/9</b>	<b>£139.46</b>	<b>£154.67</b>
<b>B</b>	<b>7/9</b>	<b>£162.70</b>	<b>£180.45</b>
<b>C</b>	<b>8/9</b>	<b>£185.94</b>	<b>£206.23</b>
<b>D</b>	<b>1</b>	<b>£209.18</b>	<b>£232.01</b>
<b>E</b>	<b>11/9</b>	<b>£255.67</b>	<b>£283.57</b>
<b>F</b>	<b>13/9</b>	<b>£302.15</b>	<b>£335.13</b>
<b>G</b>	<b>15/9</b>	<b>£348.64</b>	<b>£386.68</b>
<b>H</b>	<b>18/9</b>	<b>£418.37</b>	<b>£464.02</b>