



## CORPORATE COMMITTEE EXTRAORDINARY MEETING

Date: **Thursday 30 January 2020**

Time: **6.00 pm**

Venue: **Room 1-16, Lambeth Town Hall, Brixton, London, SW2 1RW**

Copies of agendas, reports, minutes and other attachments for the Council's meetings are available on the Lambeth website. [www.lambeth.gov.uk/moderngov](http://www.lambeth.gov.uk/moderngov)

### Members of the Committee

Councillor Scott Ainslie, Councillor Anna Birley, Councillor Linda Bray (Substitute), Councillor Peter Ely, Councillor Adrian Garden (Chair) and Councillor Jackie Meldrum

### Substitute Members

Councillor Mary Atkins, Councillor Linda Bray and Councillor Iain Simpson

### Further Information

If you require any further information or have any queries please contact:  
David Rose, Telephone: 020 7926 1037; Email: [drose@lambeth.gov.uk](mailto:drose@lambeth.gov.uk)

Members of the public are welcome to attend this meeting. If you have any specific needs please contact Facilities Management (020 7926 1010) in advance.

### Queries on reports

Please contact report authors prior to the meeting if you have questions on the reports or wish to inspect the background documents used. The contact details of the report author are shown on the front page of each report.

### Special Circumstances Justifying Urgent Consideration

This report seeks authority to set the Council Tax and Business Rates Bases, which need to be approved by the Corporate Committee – as stated in its terms of reference (Lambeth Council Constitution, page 29) by 31 January 2020 to comply with the statutory requirements of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. Due to the inaccuracy of the meeting on 23 January 2020, it was not possible to formally approve this report and an Extraordinary meeting of the Corporate Committee has been called to consider it. The Chair was of the opinion that although this meeting had not been convened and this paper published with at least five clear days' notice, it should proceed now as a matter of urgency to comply with the Regulations and that this paper had previously been published as part of the 23 January 2020 agenda.

## **Digital engagement**

We encourage people to use Social Media and we normally tweet from most Council meetings. To get involved you can tweet us @LBLDemocracy.

## **Audio/Visual Recording of meetings**

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable. If you have any questions about this please contact Democratic Services (members of the press please contact the Press Office). Please note that the Chair of the meeting has the discretion to halt any recording for a number of reasons including disruption caused by the filming or the nature of the business being conducted.

Persons making recordings are requested not to put undue restrictions on the material produced so that it can be reused and edited by all local people and organisations on a non-commercial basis.

## **Representation**

Ward Councillors may be contacted directly to represent your views to the Council: (details via the website [www.lambeth.gov.uk](http://www.lambeth.gov.uk))

## **Security**

Please be aware that you may be subject to bag searches and asked to sign in at meetings that are held in public. Failure to comply with these requirements could mean you are denied access to the meeting. There is also limited seating which is allocated on a first come first serve basis, you should aim to arrive at least 15 minutes before the meeting commences. For more details please visit: [our website](#).

Please contact Democratic Services for further information – 020 7926 2170 – or the number on the front page.

## AGENDA

PLEASE NOTE THAT THE ORDER OF THE AGENDA MAY BE CHANGED AT THE MEETING

- |   | <b>Page<br/>Nos.</b> |
|---|----------------------|
| <b>1. Declaration of Pecuniary Interests</b>  |                      |
| <p>Under Standing Order 4.4, where any councillor has a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct (para. 4)) in any matter to be considered at a meeting of the Council, a committee, sub-committee or joint committee, they must withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter unless a dispensation has been obtained from the Monitoring Officer.</p> |                      |
| <b>2. Calculation of Council Tax Base and National Non-Domestic Rates Return 1 2020/21</b>  | 1 - 16               |
| <p>(All wards)</p>  |                      |
| <p>Report authorised by: Fiona McDermott: Strategic Director for Finance &amp; Investment</p>   |                      |
| <p>Contact for enquiries: Amaris Wong, Group Manager, Strategic Finance, <a href="mailto:awong1@lambeth.gov.uk">awong1@lambeth.gov.uk</a>, 020 7926 7742</p>  |                      |

This page is intentionally left blank



## Corporate Committee 30 January 2020

**Report title:** Calculation of Council Tax Base and National Non-Domestic Rates Return 1 2020/21

**Wards:** All

**Portfolio:** Cabinet Member for Finance and Performance: Councillor Andrew Wilson

**Report Authorised by:** Fiona McDermott: Strategic Director for Finance and Investment

**Contact for enquiries:** Amaris Wong, Group Manager, Strategic Finance, [awong1@lambeth.gov.uk](mailto:awong1@lambeth.gov.uk)

### Special Circumstances Justifying Urgent Consideration

This report seeks authority to set the Council Tax and Business Rates Bases, which need to be approved by the Corporate Committee – as stated in its terms of reference (Lambeth Council Constitution, page 29) by 31 January 2020 to comply with the statutory requirements of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. Due to the inaccuracy of the meeting on 23 January 2020, it was not possible to formally approve this report and an Extraordinary meeting of the Corporate Committee has been called to consider it. The Chair was of the opinion that although this meeting had not been convened and this paper published with at least five clear days' notice, it should proceed now as a matter of urgency to comply with the Regulations and that this paper had previously been published as part of the 23 January 2020 agenda.

### Report summary

This report has two purposes, to:

- set the Council Tax Base for 2020/21; and,
- gain approval for the business rates tax base as set out in the 2020/21 national non-domestic rates base return 1 (NNDR1) outlined in this report.

The setting of both the Council Tax Base and the business rates tax base are statutory obligations.

### Finance summary

Agreeing the recommendations in this report will not commit the Council to any additional expenditure. The Council Tax Base will form a part of the final council tax calculation for 2020/21. NNDR income is a key resource within the General Fund budget.

## Recommendations

1. To agree, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by the Council as its Council Tax Base for the year 2020/21 at 111,520. The Council Tax Base in 2019/20 was 109,258, so there has been a net increase in the base of 2,262 Band D properties, and the percentage increase is 2.1%
2. To continue to apply the following council tax discounts and premiums adopted in 2013/14 in 2020/21, with only the premium for empty properties changing to 100% for properties empty for between two to five years and 200% for properties empty for at least five years in accordance with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018:
  - a premium of 100% on homes empty for between 2 to 5 years (i.e. the council tax liability for such properties is set at 200%);
  - a premium of 200% on homes empty for at least 5 years (i.e. the council tax liability for such properties is set at 300%);
  - a discount of 0% on second homes;
  - a discount of 0% on Class A properties (empty dwellings undergoing major repairs); and,
  - a discount of 0% on Class C properties (vacant, unfurnished dwellings).
3. To agree that no changes to the Council Tax Support Scheme adopted by the authority in 2019/20 will be made and that the scheme will be continued for 2020/21.
4. To approve the business rates tax base set out in the proposed NNDR1 return included in Appendix 3.
5. To delegate authority to the Director of Finance and Property, in consultation with the Cabinet Member for Finance and Performance, to make any incidental amendments to the NNDR1 form arising from its late publication and any technical changes from Government or other later emerging exigencies.

## 1. CONTEXT

- 1.1 In order to meet these obligations the report firstly informs members of the statutory calculation required to set the Council Tax Base for 2020/21 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and Article 3 of the Localism Act 2011 (Commencement No 1 and Transitional Provisions) Order 2011. It recommends that the Council Tax Base for 2020/21 be agreed at 111,520.
- 1.2 Secondly, in accordance with Section 59A of The Local Government Finance Act 1988, as amended by The Local Government Finance Act 2012, the report informs members of the calculations carried out in estimating the level of National Non-Domestic Rates (the business rates tax base) the Council anticipates collecting in 2020/21. The report recommends that the business rates tax base, to be reported in the NNDR1 submission to the Ministry of Housing, Communities and Local Government (MHCLG), is agreed at 174,409,261.
- 1.3 The Council Tax Base forms part of the calculation of the council tax for the local area; the number of properties that will form the Council Tax Base must therefore be agreed (more detail can be found in paragraph 2.4 below).
- 1.4 As well as setting out the requirement that the Council Tax Base be calculated, statute also sets out the time frame in which this must be completed: the Council is required to inform its preceptors of the Council Tax Base by 31 January 2020.
- 1.5 Following the national policy changes that came into effect on 1 April 2013 which had a direct impact on the calculation of the Council Tax Base for 2013/14 there have been no subsequent policy changes to that position that would impact on 2020/21.

## 2. PROPOSAL AND REASONS

### **Localisation of Council Tax Support**

- 2.1 The localisation of council tax support which occurred in 2013/14 has a direct impact on the setting of the Council Tax Base ; therefore, in calculating Lambeth's Council Tax Base, an adjustment must be included reflecting the localised scheme that Lambeth has adopted (the detail of which is unchanged from the scheme adopted in 2013/14). Further details can be found in section 4 of this report.
- 2.2 The Council Tax Base is also affected by the empty homes premium which allows a billing authority to charge a premium of up to 100% of the council tax on properties left unoccupied and unfurnished for between two and five years (i.e. the council tax liability for such properties can be set at 100% - 200%) and up to 200% of the council tax on properties left unoccupied and unfurnished for at least 5 years. This power was first introduced in the Local Government Finance Act 2012, whereby a premium of up to 50% could be applied and was implemented by Lambeth in 2013/14. Further increased premiums were introduced in the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 and as such it is proposed to be implemented in 2020/21. Details can be found in paragraph 2.19 of this report.
- 2.3 A number of other changes to discretionary council tax discounts, impacting the setting of the tax base, were also introduced through the Local Government Finance Act 2012 and implemented in Lambeth in 2013/14. Details of these can be found in paragraphs 2.15-2.18.

**Calculation of the Council Tax Base**

2.4 Calculation of the Council Tax (“the tax”) is governed by the Local Government Finance Act 1992 and various regulations thereunder. Part 5 of the Localism Act 2011 includes a number of amendments to the 1992 Act in relation to the calculations which the Council must make to determine its basic amount of council tax. In particular, Section 31B(1) of the Act (as amended) requires the basic (Band D) tax to be calculated by applying the formula:

(a) The Council's "council tax requirement"

**divided by**

(b) The Council’s “Council Tax Base”

2.5 For council tax purposes properties are placed in different property ‘bands’ depending on the value of the property. The banding is determined by the Valuation Office Agency although it is subject to valuation appeals. The band that a property is in is used to determine the council tax liability for that property.

2.6 The Council's basic tax figure is calculated in respect of Band D. Band A properties therefore pay 6/9 of the basic tax, Band B 7/9 of the basic tax and so on up to Band H where the tax is 18/9 of the tax at Band D.

2.7 The proportions applicable to the various Council Tax bands (the “basic” band being D) are as follows:

<b>Band</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>Proportion</b>	$\frac{6}{9}$	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$

2.8 A calculation of the total number of dwellings net of discounts needs to be made for each of the above bands. This takes into account the number of dwellings on the valuation list as at 9 September 2019, the estimated number of dwellings that are exempt, attract disabled relief or attract discounts and estimated changes in the status of the dwellings during 2020/21.

2.9 Appendix 1 sets out the formula that must be used to calculate the Council Tax Base for each band as required in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The formula includes adjustments to take into account an assessment of the likely changes in the number of band D equivalent chargeable dwellings during the year along with an adjustment for the number of dwellings expected to be re-banded following appeals against valuation.

2.10 Appendix 2 shows the Council Tax Base figures for each band once the formula has been applied; line 6 shows a total number of dwellings for each band, including all the required adjustments, of 113,979 (this is the total number of dwellings expected in 2020/21, but before the Band D adjustment is applied).

2.11 The line 6 total of 113,979 described above must be converted into the number of band D equivalents by applying the proportions shown in paragraph 2.7 above. Line 8, Appendix 2, shows the total number of band D equivalent dwellings, after these proportions have been applied, of 115,565 (this is the gross



Council Tax Base expected in 2020/21, so before the collection rate has been applied; the final Council Tax Base calculation can be found in paragraph 2.28).

### **Adjustment for the Localisation of Council Tax Support**

- 2.12 The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require the Council Tax Base to include the impact of the local Council Tax Support Scheme that has been adopted by the local authority. The local scheme will impact the tax base calculation because the cost of the discounts being offered to claimants is being funded by the Council's Settlement Funding Assessment, (the old Council Tax Support Grant has been rolled into this); the number of band D equivalent properties that will be funded by the Council Tax Support Grant must therefore be removed from the tax base.
- 2.13 To meet this requirement an adjustment must be applied to each property band that accounts for the impact that the adopted scheme will have before the property band is converted into its number of band D equivalent properties. This adjustment is the 'Item Z' referred to in Appendix 1 and line 5 of Appendix 2.
- 2.14 The regulations do not provide an underlying calculation that must be used in calculating Item Z; rather, an authority must make its own assessment of the impact and include it in its Council Tax Base using an appropriate method.

### **Adjustments to the Council Tax Base Required because of Discounts and Premiums**

- 2.15 Some discounts or premiums that are applied to council tax bills are statutorily required whereas for others the billing authority has discretion over the level of discount or premium, if any, is applied. The level of discounts or premiums that are adopted directly impacts the Council Tax Base figure.
- 2.16 The Local Government Finance Act 2012 grants local authorities further discretion on the level of exemptions and discounts that can be applied and also introduced a premium that can be applied to certain property types. These discounts and premiums are separate from the discounts adopted in the localised Council Tax Support Scheme. A summary can be found below of these discretionary powers and the recommended level of premium or discount to be adopted.
- 2.17 The recommended levels of the premiums and discounts outlined have been set after referring to the Council's Income and Debt Policy which has the strategic aim to maximise income collection and minimise levels of debt by the most fair, efficient and cost effective means whilst identifying and providing support for our most vulnerable debtors.
- 2.18 It is also considered that these premiums and discounts will incentivise the supply of housing to the borough as well as encouraging all landlords to re-let any empty properties as soon as possible.

### **Empty Homes Premium**

- 2.19 The Local Government Finance Act 2012 introduced the power for local authorities to charge an empty homes premium of up to 100% for properties empty for two years or more. Applying the full 100% premium would mean that for a property meeting the criteria the council tax liable would be 200% of the council tax bill for a non-empty property of the same band. Details of conditions that must be met for a property to be classed as empty can be found in section 12 of the Local Government Finance Act 2012.

2.20 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 allowed councils to charge a 100% premium on empty properties from 01 April 2019 and from 01 April 2020, a 200% premium on properties empty for at least 5 years.

**Second Homes**

2.21 From April 2013/14 billing authorities have had the power to set discounts of 0% – 100% of the full rate of council tax on second homes. Previously bill payers were entitled to a discount of 10% - 50%.

**Empty Dwellings Undergoing Major Repairs (Class A)**

2.22 From April 2013/14 billing authorities have had the discretion to apply a discount of 0% – 100% for the first year that a property falls under this class. After 1 year a discount of 0% – 50% can be applied indefinitely. Previously bill payers would have received a 100% exemption for the first year.

**Vacant, Unfurnished Dwellings (Class C)**

2.23 From April 2013/14 billing authorities have been able to apply a discount of 0% – 100% for up to the first 6 months that a property falls under this class. The authority also has the power to vary the level of discount applied to different months within the first 6 months. After this the authority can set a discount of 0% – 50% indefinitely.

2.24 The table below summarises the above discounts and premiums and includes the discounts and premiums that it is recommended Lambeth adopts. The recommended rates are those used in the tax base calculation in Appendix 2.

<b>Discount / Premium Type</b>	<b>Recommended Discount / Premium to be Applied by Lambeth</b>	<b>Range of Discount / Premium Permissible</b>	<b>Discretionary / Statutory</b>
<b>Premiums</b>			
Empty Homes Premium (2-5 years)	100%	0-100%	Discretionary
Empty Homes Premium (5+ years)	200%	0-200%	Discretionary
<b>Discounts</b>			
Single Person	25%	25%	Statutory
All except one person in household disregarded	25%	25%	Statutory
All persons in household disregarded	50%	50%	Statutory
Second home	0%	0-100%	Discretionary
Class A (empty dwellings undergoing major repairs)	0%	0-100% (for 1yr) 0-50% (after 1yr)	Discretionary
Class C (vacant, unfurnished dwellings)	0%	0-100% (for 6mths) 0-50% (after 6mths)	Discretionary

**Other Discretionary Discounts**

2.25 The Council has the power under the Local Government Act 2003 to implement other local discounts. Discounts would be granted either to individuals or to classes of individuals. There are financial implications to granting any discounts in addition to those set out above: not only would there be an increase in the general level of Council Tax for other payers, but the complication and cost of administering council tax would increase.

**The Collection Rate**

2.26 In order to calculate the tax base it is necessary to apply an estimated collection rate to the total number of band D equivalent properties shown on line 8 of Appendix 2.

2.27 Following the changes in 2013/14 relating to the localisation of Council Tax Support (CTS), the 2020/21 collection rate must also be adjusted for the impact of the localisation of council tax support. For 2019/20, the estimated collection rate was 96.5%. For 2020/21 we will continue to use the collection rate of 96.5%, because this is a prudent level evidenced by prior year trends.

**The Resultant Council Tax Base**

2.28 The resultant recommended Council Tax Base (including all adjustments for discounts, premiums and the localisation of council tax support) is calculated as follows:

Total of the relevant amounts (Appendix 2 line 8)	115,564.92
Estimated collection rate	96.50%
2020/21 Council Tax Base	111,520

**National Non-Domestic Rates Tax Base**

2.29 From 2013/14 the Council retained a 30% share of the business rates collected locally with 50% being paid to central government, and 20% was paid to the Council's preceptor, the Greater London Authority (GLA). In 2017/18; however, the GLA share was increased from 20% to 37% as a result of rolling in Transport for London's £960m capital grant to rates retention, which was offset by a reduction in the central share to 33%, with Lambeth's share staying constant at 30%. In 2019/20 under the revised London Business Rates Pilot Pool arrangement, Lambeth retained 48%, the GLA retained 27% and Central Government retained 25%. Without the pooling pilot scheme, the shares will revert back to 2017/18 levels, with Lambeth retaining 30%, GLA retaining 37% and Central Government retaining 33%.

2.30 Given the significance of this locally determined resource, the NNDR1 form that is used to report the estimate of the business rate base to the MHCLG has taken on an increased significance. NNDR1 will set the estimated business rate base for the following year with any variation between estimate and actual being dealt with through the surplus or deficit on the Collection Fund.

2.31 It is statutorily required that the NNDR1 be approved, and the Council's preceptors informed of the business rates base, by 31 January 2019.

**The Business Rates Tax Base**

2.32 The estimated business rates income to be collected by Lambeth is to be distributed as set out in the table below.

Lambeth (30%)	52,322,778
GLA (37%)	64,531,427
Central Government (33%)	57,555,056
<b>TOTAL</b>	<b>174,409,261</b>

2.33 A copy of the proposed NNDR1 submission, appended to this report, contains further details of how the above figures were calculated.

2.34 The figures stated in the table above are what we use in setting the NNDR tax base, but in reality bear no reflection of the actual income that the council will receive. This is because the overall tax base figure is before all accounting adjustments, such as the spreading of the surplus/deficit from 2018/19, any forecast surplus/deficit adjustments for 2019/20, and then finally the appeals provision adjustment for both 2019/20 and 2020/21. The NNDR1 for 2020/21 therefore captures adjustments that cover three years, and due to the volatility, this can cause in the system, has a significant impact on the bottom line figure we can actually budget on.

2.35 Whilst the 75% London Business Rates Pilot Pool will not continue, Lambeth, along with other boroughs and the GLA will form a pool using the 67% retained amounts with the aim to maximise the benefits of growth in London. This pool will operate without a no detriment guarantee. We have reviewed the 2019/20 NNDR1, and made the necessary adjustments so that we are confident that we can budget at the baseline position confirmed through the Finance Settlement. This is to ensure our budgeted position is not at risk, whilst also engaging with the overall principles of the pool.

2.36 The assumptions to be made regarding the estimated business rates income for 2020/21 are still being reviewed and will be influenced by assumptions made in the following areas:

- Outcome of appeals – The most up to date data of outstanding appeals was used to give an estimate of the full cost of appeals for 2020/21 if all appeals were successful and processed in 2020/21 has been calculated and used; and,
- An estimate of the expected change in rateable value – This is an adjustment to reflect local intelligence about upcoming changes to the list. The planning records and analysis of the speed with which new properties are brought into the business rates list indicates that the valuation for Lambeth requires some adjustments to reflect a more appropriate rateable value for the Council.

2.37 Officers have reviewed both the current appeals lodged with the Valuation Office Agency and information about planning applications to ensure the information to be included on the NNDR1 represents a reasonable forecast of the expected business rates income for 2020/21.

### **3. FINANCE**

- 3.1 The Council Tax Base recommended, if approved, will be used in the calculation of the level of Council Tax that will be recommended to Council on 12 February 2020.
- 3.2 The business rates base recommended, if approved, will be used in the calculation of the level of scheduled payments to Central Government and the GLA for the 2020/21 financial year.

### **4. LEGAL AND DEMOCRACY**

- 4.1 The body of the report contains details of the legislative basis for the calculation of the Council Tax Base and NNDR tax base.
- 4.2 By virtue of the Local Government (Functions and Responsibilities) (England) Regulations 2000 (as amended), the calculations which are required to be made by various sections of the 1992 Act, including the calculation of the Council Tax Base, is a non-executive function and therefore cannot be discharged by the Cabinet. Responsibility for approval of the Council's Tax Base and Business Rates Base is delegated to Corporate Committee under the Council's constitution.
- 4.3 There were no additional comments from Democratic Services.

### **5. CONSULTATION AND CO-PRODUCTION**

- 5.1 None.

### **6. RISK MANAGEMENT**

- 6.1 No risks specifically arising from this decision have been identified.

### **7. EQUALITIES IMPACT ASSESSMENT**

- 7.1 Following the completion of the Equalities Impact Assessment (EIA) trigger form, it was concluded that a full EIA was not required. The assessed conclusion is that:

“this change in business activity will **not** affect the Council's ability to implement the aims of the public sector equality duty to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and,
- foster good relations between people who share a protected characteristic and those who do not.”

### **8. COMMUNITY SAFETY**

- 8.1 None.

### **9. ORGANISATIONAL IMPLICATIONS**

- 9.1 **Environmental**

None.

**9.2 Staffing and accommodation**

None.

**9.3 Procurement**

None.

**9.4 Health**

None.

**10. TIMETABLE FOR IMPLEMENTATION**

10.1 These decisions must be taken by Council before 31 January 2020 in order to allow statutory notice to be given to precepting authorities (joint boards with the power to instruct another local authority to collect an amount from Council Tax on its behalf).

<b>AUDIT TRAIL</b>				
<b>Consultation</b>				
<b>Name/Position</b>	<b>Lambeth directorate/department or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	13.01.20	13.01.20	
Fiona McDermott, Strategic Director	Finance and Investment	13.01.20	13.01.20	
Christina Thompson, Director of Finance and Property	Finance and Investment	13.01.20	13.01.20	
Andrew Pavlou, Principal Lawyer (Governance)	Legal and Governance	13.01.20	13.01.20	
David Rose, Democratic Services	Legal and Governance	13.01.20	13.01.20	

<b>REPORT HISTORY</b>	
<b>Original discussion with Cabinet Member</b>	N/A
<b>Report deadline</b>	10.01.20
<b>Date final report sent</b>	13.01.20
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	N/A
<b>Key decision reasons</b>	N/A
<b>Background information</b>	<a href="#">Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012</a> <a href="#">Local Government Finance Act 2012</a> <a href="#">Localism Act 2011</a> <a href="#">Local Government Finance Act 1992</a> <a href="#">Local Government Finance Act 1988</a> <a href="#">Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018</a> Lambeth NNDR1 2020-21 Form
<b>Appendices</b>	Appendix 1 – The Council Tax Base Formula Appendix 2 – Calculation of the Council Tax Base

This page is intentionally left blank



## Appendix 1

### The Formula that by Statute Must be Used to Calculate the Council Tax Base (Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012)

For each property band the following formula is used to derive the council tax base:

$$((H-Q+E+J)-Z) \times (F \text{ divided by } G)$$

Where,

- Item H is the total number of chargeable dwellings
- Item Q is an adjustment to take into account the total number of chargeable dwellings subject to a discount
- Item E is an adjustment to take account of the total number of chargeable dwellings subject to a premium
- Item J is an adjustment to take account of estimated changes in the number of chargeable dwellings, exemptions and discounts expected in the year for which the tax base is being calculated
- Item Z is an adjustment to take account of the effect on the tax base of the local council tax support scheme adopted by the authority
- Item (F divided by G) is the proportion which when applied gives the band D equivalent council tax base for the property band in question e.g. for band A (F divided by G) is  $\frac{6}{9}$

This page is intentionally left blank

## Appendix 2

### The Calculation of the Council Tax Base

	Item Description	Formula	Property Band									Total
			Disabled A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
1	No. of chargeable dwellings	(Item H)	0.00	4,773.00	31,610.00	40,815.00	31,849.00	15,275.00	9,488.00	5,348.00	918.00	140,076.00
2	Adjustment for the no. of chargeable dwellings subject to a discount	(Item Q)	0.00	704.00	3,838.00	3,725.00	2,266.50	869.25	424.75	200.00	41.25	12,068.75
3	Adjustment for the no. of chargeable dwellings subject to a premium	(Item E)	0.00	54.00	111.00	131.00	54.00	41.00	48.00	8.00	3.00	450.00
4	Estimated 2018/19 changes in no. of chargeable dwellings, exemptions and discounts	(Item J)	0.00	110.87	591.25	634.37	466.46	296.08	245.38	137.85	23.55	2,505.80
5	Adjustment for the Localised Council Tax Support Scheme	(Item Z)	0.00	868.83	6,132.50	4,935.22	3,259.85	1,238.65	471.49	75.59	1.86	16,983.99
6	<b>((H-Q+E+J)-Z)</b>		0.00	3,365.04	22,341.75	32,920.15	26,843.11	13,504.18	8,885.14	5,218.26	901.44	113,979.06
7	Banding Proportion	(Item F/G)	$\frac{5}{9}$	$\frac{6}{9}$	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$	
8	Relevant Amount	<b>((H-Q+E+J)-Z) X (F/G)</b>	0.00	2,243.36	17,376.91	29,262.36	26,843.11	16,505.11	12,834.09	8,697.11	1,802.88	115,564.92

This page is intentionally left blank