

<b>23 January 2013</b>		<b>ITEM: 11</b>
<b>Council</b>		
<b>APPROVAL OF THE COUNCIL TAX BASE, COLLECTION FUND BALANCE AND NNDR 1</b>		
Report of: Councillor John Kent		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Martin Hone, Corporate Director of Finance & Corporate Governance		
<b>This report is</b> Public		
<b>Purpose of Report:</b> To seek delegated approval of the determination of the Council Tax base, the Collection Fund Balance and NNDR 1 to the Director of Finance and Corporate Governance in consultation with the Leader of the Council.		

## **EXECUTIVE SUMMARY**

Historically, the Council has approved the setting of the Council Tax Base and the balance on the Collection Fund and the allocation of that balance to the precepting bodies.

The NNDR 1 is approved annually by the S151 Officer but this has traditionally set the estimated level of business rates to be collected on behalf of the government.

The setting of all of the above for 2013/14 is more difficult than it has been for previous years and this report seeks Council approval to delegate these decisions to the S151 Officer (the Director of Finance and Corporate Governance) in consultation with the Leader of the Council.

All of the above must be determined by 31 January every year.

### **1. RECOMMENDATIONS:**

#### **1.1. That the Council delegates to the S151 Officer, in consultation with the Leader of the Council:**

##### **a) The setting of the Council Tax Base;**

**b) The determination of the balance on the Collection Fund and its subsequent allocation to precepting bodies; and**

**c) The submission of the NNDR 1.**

1.2. **That copies of the completed council tax base, collection fund balances, and associated submissions be provided to Members in writing as soon as they are completed.**

## **2. COUNCIL TAX BASE**

2.1. The Council Tax Base is the amount of dwellings in the Thurrock area amended by estimated new builds, conversions, demolitions and discounts such as those for single people.

2.2. All of these are collated and converted into Band D equivalents and this becomes a multiplier for the council tax level to determine the amount of council tax income collectable.

2.3. At the November 2012 meeting, Council agreed to change the parameters and awards for certain council tax exemptions and this impacts on the council tax base through an increase.

2.4. More significantly, the Local Council Tax Scheme (LCTS) approved by Council at the November 2012 meeting will reduce the council tax base significantly as the LCTS no longer awards benefit payments but discounts to the claimant.

2.5. As these changes will have a material impact on the revenue available to the authority, Council are asked to delegate the setting of the council tax base to the S151 Officer, in consultation with the Leader of the Council, to afford the maximum amount of time available to ensure that the most up to date information is available.

## **3. COLLECTION FUND BALANCE**

3.1. The Collection Fund is the account that collates all council tax due against precepts paid to the Council and to other precepting bodies.

3.2. The Council is required to estimate the balance on this fund as at 31 March and allocate any surplus or deficit to the Council and other precepting bodies. A surplus will act as an increase in resources for the following year and a deficit as a reduction.

3.3. This is a calculation that is of a technical accounting nature and is often delegated to the S151 Officer. As this calculation can have a material impact on the revenue available to the authority, Council are asked to delegate the setting of the Collection Fund balance to the S151 Officer, in consultation with the Leader of the Council, to afford the maximum amount of time available to ensure that the most up to date information is available.

#### **4. NNDR 1**

- 4.1. The S151 Officer has annually submitted the NNDR 1 to government. This is the estimate of the business rates billable in the Thurrock area and has been used to determine the payments on account that the Council has paid the government for its function as the government's agent.
- 4.2. The localisation of business rates now means that this return will have an impact on the resources of the Council as it will determine the estimated amount to be retained by the Council.
- 4.3. Guidance has been slow on the completion of this return and consultation is still ongoing. As such, Council are asked to delegate the setting of the NNDR 1 to the S151 Officer, in consultation with the Leader of the Council, to afford the maximum amount of time available to ensure that the most up to date information is available.

#### **5. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:**

- 5.1. The Council Tax Base, Collection Fund Balance and NNDR 1 must all be determined by 31 January on an annual basis.
- 5.2. Options include delegating the decision, as recommended, or making these calculations and presenting them to Council for their determination.

#### **6. REASONS FOR RECOMMENDATION:**

- 6.1. Delegating the approval of these three returns will ensure that officers are able to take full advantage of any further guidance that is issued and the most up to date figures available.

#### **7. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 7.1. This approach has been discussed with the Leader of the Council and the Leader of the Opposition.

#### **8. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 8.1. The budget provides the finance to meet the Corporate Priorities and these determinations are significant contributors to the resources of the authority. Any changes to the budgets may impact, positively or negatively, on the delivery of these priorities and performance with a corresponding impact on the community.

#### **9. IMPLICATIONS**

##### **9.1. Financial**

Implications verified by: **Sean Clark**  
Telephone and email: **01375 652010**  
**sclark@thurrock.gov.uk**

These are included in the body of the report.

## 9.2. **Legal**

Implications verified by: **David Lawson**  
Telephone and email: **01375 652087**  
**dlawson@thurrock.gov.uk**

The Local Government Finance Act 1992 as amended, the Local Government Finance Act 2012 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 prescribe the requirement for setting the Council Tax base. Section 67 of the Local Government Finance Act 1992 was amended in November 2003 so that the function of determining the Tax Base no longer has to be discharged only by the Full Council. This means that Full Council can delegate the function under Section 101 of the Local Government Act 1972 to a Committee, Sub-Committee or an officer.

The calculations follow the statutory requirements and, where estimates are used in determining the Tax Base figure, these are based on information available, previous experience and I believe professional judgment. The Tax Base figure is therefore not a matter upon which political decision-making can really impact. The current arrangements for the Tax Base and Collection Fund Balance to be approved by Full Council can result in a delay, especially in this year of late or delayed governmental guidance and an approaching deadline of 31 January 2013.

In view of this and in accordance with the practice of many other Authorities, it is within the authority of Full Council for the determination of the Council Tax Base, Collection Fund Balance and NNDR1 figures to be delegated to the section 151 Officer for this particular financial year. The Tax Base would then be published and presented to Full Council before the start of the financial year. Full Council's can agree delegation of these technical matters for the particular financial year but may wish to give consideration through the CWG to amending the Constitution for future financial years to making this a permanent delegation or not. (Constitution, Chapter 2, Part 3, 1.4 c & d).

## 9.3. **Diversity and Equality**

Implications verified by: **David Lawson**  
Telephone and email: **01375652087**  
**dlawson@thurrock.gov.uk**

There are no equalities issues arising from this report.

## 9.4. **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

There are no specific implications from this report.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):**

- There are various working papers within accountancy.

**APPENDICES TO THIS REPORT:**

- None

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