

Annex C

The Council Tax Base for Formula Grant purposes

- 1 This Annex contains rules for calculating the council tax base for Formula Grant purposes (“the taxbase”), for the area of each receiving authority.
- 2 The Secretary of State will calculate the taxbase for each receiving authority's area using information which billing authorities have submitted to her in writing in accordance with the notice dated 2 October 2007 issued under section 139A of the 1988 Act and section 68 of the 1992 Act and which has been received by her on or before 26 October 2007 in accordance with the notice dated 2 October 2007 which was issued under section 139A of the 1988 Act and section 68 of the 1992 Act. The information submitted will generally have been on the basis of information available to billing authorities on 8 October 2007¹. If an authority has failed to provide the information in accordance with the notice, the Secretary of State will exercise her powers under section 139A(3) of the 1988 Act and section 68(3) of the 1992 Act, namely, she may assume the information required to be such as she sees fit. She may also take into account any other information available to her.
- 3 The taxbase for a billing authority's area as at 8 October 2007 will be equal to -

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- (a) the total of the amounts calculated by applying the following formula in relation to dwellings shown on 17 September 2007 in each valuation band (“the band”) in the valuation list compiled under section 22 of the 1992 Act except for band A -

$$\left\{ \begin{aligned} &R - \left(S1 + \left(\frac{S2}{2} \right) + T + U - V + W + XA + XB + XC + XD \right) + (0.75 \times W) \\ &+ (0.5 \times XA) + (0.5 \times XB) + (0.5 \times XC) + \left(\left(1 - \frac{AP}{100} \right) \times XD \right) \end{aligned} \right\} \times \frac{Y}{Z}$$

Plus

- (b) the amount calculated by applying the following formula in relation to dwellings shown on 17 September 2007 for valuation band A in the valuation list compiled under section 22 of the 1992 Act -

$$\left\{ \begin{aligned} &R - \left(S1 + \left(\frac{S2}{2} \right) + T + U1 - V1 + W1 + X1A + X1B + X1C + X1D \right) + (0.75 \times W1) \\ &+ (0.5 \times X1A) + (0.5 \times X1B) + (0.5 \times X1C) + \left(\left(1 - \frac{AP}{100} \right) \times X1D \right) \end{aligned} \right\} \times \frac{6}{9}$$

¹ More recent figures for discounts and exemptions applicable as at 8 October 2007 were acceptable if numbers changed significantly in light of information received after 8 October 2007 (for example, class N exemptions for students).

$$+ \left\{ (U1 - W2 - X2) + (0.75 \times W2) + (0.5 \times X2) \right\} \times \frac{5}{9}$$

Plus

- (c) the amount of the taxbase element for dwellings situated in the authority's area which are exempt dwellings by virtue of falling within Class O of the Exempt Dwellings Order, calculated by the authority in accordance with the notice referred to in paragraph 2.

where -

- R** is the number of dwellings in the band;
- S1** is the number of dwellings in the band which on 8 October 2007 were exempt dwellings within Classes A to L and O to W of the Council Tax (Exempt Dwellings) Order 1992² (“the Exempt Dwellings Order”);
- S2** is the number of dwellings in the band which on 31 May 2007 were exempt dwellings within Classes M and N of the Exempt Dwellings Order,
- Plus*
- the number of dwellings in the band which on 8 October 2007 were exempt dwellings within Classes M and N;
- T** is the number of dwellings in the band not included in S1 or S2 above which in the opinion of the authority on 8 October 2007-
- (i) had ceased to exist, or
 - (ii) were not within the area of the authority;

And where for dwellings in the bands **B** to **H**:

- U** is the number of dwellings in the band in respect of which, by virtue of the Council Tax (Reductions for Disabilities) Regulations 1992³ (“the Reductions for Disabilities Regulations”), the amount of council tax payable on 8 October 2007 was calculated by reference to the valuation band which is immediately above the band in the Table in section 5(2) of the 1992 Act (“the relevant Table”);
- V** is the number of dwellings in the valuation band which is immediately below the band in the relevant Table in respect of which, by virtue of the Reductions for Disabilities Regulations, the amount of council tax payable on 8 October 2007 was calculated by reference to the band;
- W** is the number of dwellings in the band in respect of which the amount of council tax payable on 8 October 2007 was subject to a 25 per cent discount by virtue of section 11(1) of the 1992 Act,

2 S.I. 1992/558 as amended by S.I. 1992/2941, S.I. 1993/150, S.I. 1994/539, S.I. 1995/619, S.I. 1997/74, S.I. 1997/656, S.I. 1998/291, S.I. 1999/536, S.I. 2000/424, S.I. 2003/3121 and S.I. 2006/2318.

3 S.I. 1992/554 as amended by S.I. 1993/195 and S.I. 1999/1004.

Less

the number of those dwellings in respect of which, by virtue of the Reductions for Disabilities Regulations, the amount of council tax payable was calculated by reference to the valuation band which is immediately above the band in the relevant Table,

Plus

the number of dwellings in the valuation band which is immediately below the band in the relevant Table in respect of which the amount of council tax payable on 8 October 2007 -

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated by reference to the band, by virtue of the Reductions for Disabilities Regulations;

XA is the number of dwellings in the band in respect of which the amount of council tax payable on 8 October 2007 was subject to a 50 per cent discount by virtue of section 11(2)(b) of the 1992 Act,

Less

the number of those dwellings in respect of which, by virtue of the Reductions for Disabilities Regulations, the amount of council tax payable was calculated by reference to the valuation band which appears immediately above the band in the relevant Table,

Plus

the number of dwellings in the valuation band which appears immediately below the band in the relevant Table in respect of which the amount of council tax payable on 8 October 2007 -

- (i) was subject to a 50 percent discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated by reference to the band by virtue of the Reductions for Disabilities Regulations;

XB is the number of dwellings in the band which on 8 October 2007 were within Class A or B of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003⁴ (“the 2003 Regulations”) (for RSG purposes these dwellings are treated as being entitled to a 50% discount even if the authority has determined a lesser discount under section 11A(3) of the 1992 Act);

XC is the number of dwellings in the band which on 8 October 2007 were within Class C of the 2003 Regulations and were entitled to a 50% discount;

XD is the number of dwellings in the band in respect of which the amount of council tax payable on 8 October 2007 was subject to a discount of between 0% and 50%

4 S.I.2003/3011 as amended by S.I. 2004/926, S.I. 2005/416 and S.I. 2005/2866.

by reason of any determination under section 11A(4) of the 1992 Act;

- AP** is the appropriate percentage (i.e. the percentage discount given by the authority to long-term empty homes) in any determination made under section 11A(4) of the 1992 Act, in relation to the financial year 2007/08;
- Y** is the number in the proportion set out in paragraph 4 which is applicable to dwellings shown in the band in the valuation list;
- Z** is 9; that is, the number in the proportion set out in paragraph 4 which is applicable to dwellings in valuation band D.

And where for dwellings in band A:

- U1** is the number of dwellings in band A in respect of which, by virtue of the Reduction for Disabilities Regulations, the amount of council tax payable on 8 October 2007 was calculated as 5/9 the band D amount;
- V1** is the number of dwellings in valuation band B in respect of which, by virtue of the Reductions for Disabilities Regulations, the amount of council tax payable on 8 October 2007 was calculated by reference to band A;
- W1** is the number of dwellings in band A, in respect of which the amount of council tax payable on 8 October 2007 was subject to a 25 per cent. discount by virtue of section 11(1) of the 1992 Act,

Less

the number of those dwellings in respect of which the amount of council tax payable was calculated by reference to 5/9 of the band D amount by virtue of the Reductions for Disabilities Regulations,

Plus

the number of dwellings in band B in respect of which the amount of council tax payable on 8 October 2007 -

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated by reference to band A, by virtue of the Reductions for Disabilities Regulations;

- X1A** is the number of dwellings in band A in respect of which the amount of council tax payable on 8 October 2007 was subject to a 50 per cent discount by virtue of section 11(2)(b) of the 1992 Act,

Less

the number of those dwellings in respect of which the amount of council tax payable was calculated by reference to 5/9 of the band D amount by virtue of the Reductions for Disabilities Regulations,

Plus

the number of dwellings in band B in respect of which the amount of council tax payable on 8 October 2007 -

- (i) was subject to a 50 per cent discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated by reference to band A by virtue of the Reductions for Disabilities Regulations;

X1B is the number of dwellings in band A which on 8 October 2007 were within Class A or B of the 2003 Regulations (for RSG purposes these dwellings are treated as being entitled to a 50% discount even if the authority has determined a lesser discount under section 11A(3) of the 1992 Act);

X1C is the number of dwellings in band A which on 8 October 2007 were within Class C of the 2003 Regulations and were entitled to a 50% discount;

X1D is the number of dwellings in band A in respect of which the amount of council tax payable on 8 October 2007 was subject to a discount of between 0% and 50% by reason of any determination made by the authority under section 11A(4) of the 1992 Act;

W2 Is the number of dwellings in band A in respect of which the amount of council tax payable on 8 October 2007-

- (i) was subject to a 25 per cent discount, by virtue of section 11(1) of the 1992 Act, and
- (ii) was calculated by reference to 5/9 of the band D amount by virtue of the Reductions for Disabilities Regulations;

X2 is the number of dwellings in band A in respect of which the amount of council tax payable on 8 October 2007-

- (i) was subject to a 50 per cent discount, by virtue of section 11(2) of the 1992 Act, and
- (ii) was calculated by reference to 5/9 of the band D amount by virtue of the Reductions for Disabilities Regulations.

4 For the purposes of the definitions of Y in paragraph 3, the proportion is the proportion in section 5(1) of the 1992 Act, namely, -

7 : 8 : 9 : 11 : 13 : 15 : 18

where 7 is for dwellings in band B, 8 is for dwellings in band C, and so on.

5 The taxbase for a billing authority's area for 2008/09 is the taxbase for a billing authority's area in 2007/08, as calculated under paragraph 3, increased by the Secretary of State's estimate of the average annual increase in the taxbase for the authority between:

- (i) 10 October 2005, on the basis of information submitted to him in writing in accordance with the notice dated 26 September 2005 issued under section 139A of the 1988 Act and section 68 of the 1992 Act; and

(ii) 8 October 2007, on the basis of information submitted to him in writing in accordance with the notice dated 2 October 2007 issued under the same powers.

- 6 The amount calculated at paragraph 5 is then increased by the Secretary of State's estimate of the average annual increase in the taxbase for the authority between 10 October 2005 and 8 October 2007, as described in paragraph 5, to give the taxbase for the billing authority's area for 2009/10.
- 7 The amount calculated at paragraph 6 is then increased by the Secretary of State's estimate of the average annual increase in the taxbase for the authority between 10 October 2005 and 8 October 2007, as described in paragraph 5, to give the taxbase for the billing authority's area for 2010/11.
- 8 Subject to paragraph 9, the taxbase for the area of each major precepting authority will be calculated as the total of the taxbase figures for 2010/11 for the area of each billing authority to which the major precepting authority has the power to issue a precept.
- 9 The taxbase for the whole of the Greater London Authority's area will be calculated as the total of the taxbase figures for the London borough councils and Common Council of the City of London. The taxbase for that part of the Greater London Authority's area for which the Greater London Authority makes budgetary provision for police services, will be calculated as the total of the taxbase figures for the London borough councils.