

**Report to:** Cabinet

**Date:** 4<sup>th</sup> November 2019

**Report of:** Director of Corporate Resources

**Report No:** CEX126

**Contact Officer:** Sue Johnson, Ext 1502

**Report Title:** COUNCIL TAX BASE FOR 2020/21

**Non Confidential:** This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

**Purpose:** This report updates Cabinet on any changes in the taxbase to be used in the calculation of the Council Tax and Business Rates for 2020/21 (the tax base for tax setting purposes).

**Background Doc(s):** None

**Appendices / Attachments** None

**Recommendations:** It is recommended that the Cabinet approves:-

- (a) the report of the Director of Corporate Resources for the calculation of the Council's tax base for tax setting purposes for the year 2020/21.
- (b) that the Council Tax base for the year 2020/21 shall be 76,173 band D equivalents.

**Decision:**

**Signed:**

\_\_\_\_\_  
Leader / Executive  
Member

\_\_\_\_\_  
Monitoring Officer

**Date:**

**Summary:**

This report sets out the calculation of the taxbase to be used in the calculation of the Council Tax and Business Rates for 2020/21 (the tax base for tax setting purposes).

## 1. **INTRODUCTION**

This report sets out the calculation of the taxbase to be used in the calculation of the Council Tax and Business Rates for 2020/21 (the tax base for tax setting purposes). This is a technical and complicated issue and is presented in some detail on the advice of the LGA.

## 2. **THE COUNCIL TAX BASE FOR TAX SETTING PURPOSES**

Appendix 1 shows the calculation of the Council Tax base for tax setting purposes for 2020/21, in accordance with the method stipulated by the regulations. This is complex, but is included for completeness and information. The main features of the calculation are:

- exempt properties are removed (e.g. unoccupied and unfurnished etc.)
- disablement relief is based upon those eligible
- discounts (including the Council Tax Support Scheme) are included based upon predicted trends.

**The above changes result in a taxbase before adjustment for losses on collection of 77,728 band D equivalents.**

Over and above the factors mentioned above, the Council needs to determine its collection rate for the year, which is to take account of collection difficulties. Based on an assessment of past collection performance, this has been maintained at 98% and results in a taxbase for tax setting purposes of 76,173 band D equivalents, an increase of 686 properties (0.9%) on the 2019/20 tax base.

**Council Tax base for tax setting 2020/21**

For each property valuation band, the total number of properties is calculated by adjusting the actual number of properties in the band shown on the Council Tax valuation list for:

- \* the estimated full year effect of changes in the year (i.e. new properties less demolished properties)
- \* the estimated full year effect of discounts in the year (for single persons, Council Tax Support Scheme, students etc.)
- \* the appropriate fraction of the band D tax payable in that band (to reflect the fact that properties in bands below band D will pay less than band D and properties in bands above band D will pay more than band D)

The figures for each band are then totalled and multiplied by the authority's estimate of its overall collection rate for the year.

**The calculation is set out on the next page.**

**Council Tax Base for Tax Setting 2020/21 (Items A to J relate to specific references in the regulations)**

	<b>Band A*</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Total</b>
Total no of dwellings on the valuation list	64,535	21,735	18,632	10,538	5,577	2,238	1,847	241	125,343
<b><u>Known changes</u></b>									
less demolished properties	0	0	0	0	0	0	0	0	0
less exempt dwellings	(1,576)	(277)	(279)	(115)	(56)	(23)	(18)	0	(2,344)
Disabled relief-net change	100	37	(53)	(29)	(27)	4	(9)	(23)	0
Changes following appeals	72	(11)	(26)	(16)	(11)	(1)	(6)	(1)	0
<b><u>Adjusted number of dwellings (Item H of calculation of ctaxbase)</u></b>	63,131	21,484	18,274	10,378	5,483	2,218	1,814	217	122,999
Total number of single person/student discounts etc. <b>(Item I of calculation of ctaxbase)</b>	(29,174)	(7,524)	(5,133)	(2,407)	(989)	(372)	(300)	(34)	(45,933)
<b><u>Rate of discount (Item E of calculation of ctaxbase) - 25%</u></b>									
Total discounts in property equivalents ie item I multiplied by E	(7,292)	(1,881)	(1,283)	(602)	(247)	(93)	(75)	(9)	(11,482)
Family Annexe and Empty Properties	136	31	20	12	6	2	4	1	212
Adjustment for Discounts under the Council Tax Support Scheme	(14,523)	(2,004)	(959)	(286)	(102)	(21)	(13)	0	(17,908)
Net property numbers (after known changes)	41,452	17,630	16,052	9,502	5,140	2,106	1,730	209	93,821
<b><u>Adjustments</u></b>									
New properties in 2020/21	0	0	0	0	0	0	0	0	0
Demolished properties/boundary change in 2020/21	0	0	0	0	0	0	0	0	0
Additional discounts in properties claimed during the year	0	0	0	0	0	0	0	0	0
<b><u>Total adjustments (item J)</u></b>	0	0	0	0	0	0	0	0	0
Net property numbers after adjustment	41,452	17,630	16,052	9,502	5,140	2,106	1,730	209	93,821
<b><u>Calculation of band D equivalents</u></b>									
<b><u>Band proportion (item F)</u></b>	5 & 6	7	8	9	11	13	15	18	
<b><u>Band proportion for band D (item G)</u></b>	9	9	9	9	9	9	9	9	
Relevant amount for valuation band net property numbers multiplied by F divided by G <b>(Item A of calculation ctaxbase)</b>	27,621	13,712	14,268	9,502	6,282	3,042	2,883	418	77,728
Estimated collection rate for the year (item B of calculation of ctaxbase)									98.00%
<b><u>Council tax base for 2020/21 ie item A multiplied by item B</u></b>									76,173

\* includes Band A properties entitled to disabled relief