

Report to: Cabinet

Date: 10th November 2014

Report of: Borough Treasurer

Report No:

Contact Officer: Sue Johnson

Tele No: Ext 1502

Report Title: COUNCIL TAX BASE FOR 2015/16

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 sets out the calculation of the taxbase to be used in the calculation of the Council Tax and Business Rates for 2015/16 (the tax base for tax setting purposes).

Recommendations:

It is recommended that the Cabinet approves:-

- (a) the report of the Borough Treasurer for the calculation of the Council's tax base for tax setting purposes for the year 2015/16.
- (b) that the Council Tax base for the year 2015/16 shall be 70,176 band D equivalents.

Background Documents:

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 2015/16 (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 2015/16, 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:

- based on past trends, 322 new properties have been assumed, distributed between bands pro-rata to recent growth
- 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 current levels, based on current trends.

The above changes result in a taxbase before adjustment for losses on collection of 71,608 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 70,176 band D equivalents, an increase of 1.5% on the 2014/15 tax base.

Council Tax base for tax setting 2015/16

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 2015/16 (Items A to J relate to specific references in the regulations).

	Band A*	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total no of dwellings on the valuation list	63,748	21,260	18,185	10,297	5,350	2,194	1,787	233	123,054
<u>Known changes</u>									
less demolished properties	0	0	0	0	0	0	0	0	0
less exempt dwellings	(1,391)	(306)	(235)	(96)	(42)	(19)	(12)	0	(2,101)
Disabled relief-net change	81	44	(48)	(29)	(20)	2	(7)	(23)	0
Changes following appeals	72	(11)	(26)	(17)	(11)	(1)	(5)	(1)	0
<u>Adjusted number of dwellings (Item H of calculation of ctaxbase)</u>	62,510	20,987	17,876	10,155	5,277	2,176	1,763	209	120,953
<u>Total number of single person/student discounts etc. (Item I of calculation of ctaxbase)</u>	(32,089)	(8,080)	(5,286)	(2,389)	(1,049)	(410)	(357)	(38)	(49,698)
<u>Rate of discount (Item E of calculation of ctaxbase) - 25%</u>									
Total discounts in property equivalents ie item I multiplied by E	(8,022)	(2,020)	(1,322)	(597)	(262)	(103)	(89)	(10)	(12,425)
Adjustment for Discounts under the Council Tax Support Scheme	(18,461)	(2,656)	(1,304)	(361)	(148)	(31)	(20)	(1)	(22,982)
Net property numbers (after known changes)	36,027	16,311	15,250	9,197	4,867	2,042	1,654	198	85,546
<u>Adjustments</u>									
New properties in 2015/16	136	123	31	11	11	7	3	0	322
Demolished properties/boundary change in 2015/16	0	0	0	0	0	0	0	0	0
Additional discounts in properties claimed during the year	(50)	(90)	(32)	(4)	(2)	(1)	(2)	0	(181)
<u>Total adjustments (item J)</u>	86	33	(1)	7	9	6	1	0	141
Net property numbers after adjustment	36,113	16,344	15,249	9,204	4,876	2,048	1,655	198	85,687
<u>Calculation of band D equivalents</u>									
<u>Band proportion (item F)</u>	6	7	8	9	11	13	15	18	
<u>Band proportion for band d (item G)</u>	9	9	9	9	9	9	9	9	
Relevant amount for valuation band net property numbers multiplied by F divided by G	24,065	12,712	13,555	9,204	5,960	2,958	2,758	396	71,608
<u>(Item A of calculation of ctaxbase)</u>									
<u>Estimated collection rate for the year (item B of calculation of ctaxbase)</u>									98.0%
<u>Council tax base for 2015/16 ie item A multiplied by item B</u>									70,176

*includes band A properties entitled to disabled relief