

Report to: Cabinet

Date: 28th January 2013

Report of: Deputy Chief Executive

Report No:

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Report Title: COUNCIL TAX BASE FOR 2013/14 AND BUSINESS RATES
BASE FOR 2013/14

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 2013/14 (the tax base for tax setting purposes).

Recommendations: It is recommended that the Cabinet approves:-

- (a) the report of the Deputy Chief Executive for the calculation of the Council's tax base for tax setting purposes for the year 2013/14.
- (b) that the Council Tax base for the year 2013/14 shall be 69,053 band D equivalents.
- (c) the business rates base for 2013/14 and that the NNDR 1 form attached at Appendix 2 is submitted to the DCLG in accordance with the regulations.

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 2013/14 (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 2013/14, 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 are included based upon current levels, based on current trends. The major changes this year are the inclusion of the Council Tax Support Scheme as a discount and the adjustments to discounts contained within the previous item.

The above changes result in a taxbase before adjustment for losses on collection of 70,463 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 69,053 band D equivalents.

3. **THE BUSINESS RATES TAX BASE FOR TAX SETTING PURPOSES**

Appendix 2 shows the calculation of the Business Rates taxbase for tax setting purposes for 2013/14, 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:

- the rating list as at the 30th September 2012 is the starting position and is adjusted for:
- an estimate of the properties which will be added to or removed from the rating list in the period to 30th September 2013, and
- an estimate of the impact of successful appeals to entries on the rating list. This is a very difficult item to estimate. There are appeals outstanding on over a third of the business premises in Bolton and these will be determined by the District Valuer. In the current economic climate there is pressure to reduce valuations to reflect current trends in rents plus the District Valuer has a significant backlog of appeals to resolve. Historically an allowance for appeals of 5% has generally been appropriate. The highest actual impact in recent years has been 6%. In the light of the economic situation and the higher than usual backlog of claims, an allowance of 7.5% has been made.

The regulations require that the NNDR1 form is approved by the Council.

Council tax base for tax setting 2013/14

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, 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 2013/14 (Items A to J relate to specific references in the regulations).

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