

Report to: Cabinet

Date: 5th December 2016

Report of: Borough Treasurer

Report No:

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Report Title: COUNCIL TAX BASE FOR 2017/18

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 2017/18 (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 2017/18.
- (b) that the Council Tax base for the year 2017/18 shall be 74,472 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 2017/18 (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 2017/18, 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, 350 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 predicted trends.

The above changes result in a taxbase before adjustment for losses on collection of 75,992 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 74,472 band D equivalents, an increase of 4.3% (or 3076 properties) on the 2016/17 tax base.

Council Tax base for tax setting 2017/18

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 2017/18 (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 | 64,004 | 21,426 | 18,331 | 10,378 | 5,426 | 2,221 | 1,814 | 238 | 123,838 |
| <u>Known changes</u> | | | | | | | | | |
| less demolished properties | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| less exempt dwellings | (1,361) | (312) | (199) | (100) | (44) | (17) | (10) | 0 | (2,043) |
| Disabled relief-net change | 80 | 43 | (38) | (31) | (22) | (3) | (6) | (23) | 0 |
| Changes following appeals | 72 | (10) | (27) | (17) | (11) | (1) | (5) | (1) | 0 |
| <u>Adjusted number of dwellings (Item H of calculation of ctaxbase)</u> | 62,795 | 21,147 | 18,067 | 10,230 | 5,349 | 2,200 | 1,793 | 214 | 121,795 |
| Total number of single person/student discounts etc. (Item I of calculation of ctaxbase) | (29,152) | (7,262) | (4,979) | (2,219) | (917) | (366) | (293) | (25) | (45,213) |
| <u>Rate of discount (Item E of calculation of ctaxbase) - 25%</u> | | | | | | | | | |
| Total discounts in property equivalents ie item I multiplied by E | (7,287) | (1,816) | (1,245) | (555) | (229) | (92) | (73) | (6) | (11,303) |
| Family Annexe and Empty Properties | 138 | 39 | 15 | 8 | 4 | 5 | 4 | 1 | 214 |
| Adjustment for Discounts under the Council Tax Support Scheme | (15,503) | (2,169) | (1,118) | (304) | (108) | (25) | (14) | (1) | (19,242) |
| Net property numbers (after known changes) | 40,143 | 17,201 | 15,719 | 9,379 | 5,016 | 2,088 | 1,710 | 208 | 91,464 |
| <u>Adjustments</u> | | | | | | | | | |
| New properties in 2017/18 | 125 | 114 | 29 | 10 | 10 | 6 | 3 | 0 | 297 |
| Demolished properties/boundary change in 2017/18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additional discounts in properties claimed during the year | (48) | (86) | (30) | (4) | (2) | (1) | (1) | 0 | (172) |
| <u>Total adjustments (item J)</u> | 77 | 28 | (1) | 6 | 8 | 5 | 2 | 0 | 125 |
| | | | | | | | | | |
| Net property numbers after adjustment | 40,220 | 17,229 | 15,718 | 9,385 | 5,024 | 2,093 | 1,712 | 208 | 91,589 |
| <u>Calculation of band D equivalents</u> | | | | | | | | | |
| <u>Band proportion (item F)</u> | 5 & 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 (Item A of calculation ctaxbase) | 26,804 | 13,401 | 13,972 | 9,385 | 6,140 | 3,023 | 2,851 | 416 | 75,992 |
| | | | | | | | | | |
| Estimated collection rate for the year (item B of calculation of ctaxbase) | | | | | | | | | 98.00% |
| <u>Council tax base for 2017/18 ie item A multiplied by item B</u> | | | | | | | | | 74,472 |
| | | | | | | | | | |

* includes Band A properties entitled to disabled relief