

This report will be made public on 9 January 2018

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number

C/17/75

To: Cabinet
Date: 17 January 2018
Status: Non-Key Decision
Head of Service: Charlotte Spendley, Head of Finance
Portfolio Holder: Councillor Malcolm Dearden, Cabinet Member for Finance

SUBJECT: COUNCIL TAX BASE 2018/19

SUMMARY:

The Council is required to decide its tax base which will be used in the calculation of Council Tax for 2018/2019. This report proposes the tax base recommendations for the Council's approval.

REASONS FOR RECOMMENDATION:

The Cabinet is asked to agree the recommendations set out below because it is a statutory requirement of the Council to determine a Council Tax base each year to be used by the County Council, Kent Police Authority, Kent Fire and Rescue Service, the Town and Parish Councils and the District Council in the calculation of precepts and Council Taxes.

RECOMMENDATIONS:

1. To receive and note report C/17/75.
2. To recommend to Full Council that the Council Tax bases set out in appendices 1-31, which have been calculated in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended) be the amounts so calculated by the Council as its Council Tax bases for the year 2018/2019.

INTRODUCTION

- 1.1 The Council is required each year to determine its Council Tax base. The Council Tax base is the measure in the Council Tax system of the relative taxable capacity of the district. The Council Tax base is used by the County Council, Kent Police Authority, Kent Fire and Rescue Service and the Town/Parish and District Councils in the calculation of precepts and Council Taxes. It is also used by the County Council, Kent Police Authority and Kent Fire and Rescue Service in calculating their precepts upon each of the District Councils in Kent and by the Council in the calculation of its own demand on the Collection Fund.
- 1.2 The Council itself must determine the Council Tax base and the County Council, Kent Police Authority and Kent Fire and Rescue Service must be informed by 31 January in each year.
- 1.3 The tax base calculation takes into account the change from council tax benefit to the council tax reduction scheme which is no longer fully-funded by Central Government as well as changes to discounts on empty properties.

2 RULES FOR THE CALCULATION OF THE COUNCIL TAX BASE

- 2.1 The rules which the Council has to use to calculate the tax base are prescribed in regulations.

3 THE CALCULATION

- 3.1 The Council has to calculate a Council Tax base for each Town and Parish area and aggregate them all to arrive at the Council Tax base for the whole District.
- 3.2 For each band in every part of the District the Council has to calculate a 'relevant amount'. The relevant amounts for each band are then aggregated and multiplied by an estimated collection rate to give the Council Tax base for that part of the District. In addition, an estimated amount is added for those parts of the District where a contribution in lieu of Council Tax is paid by the MoD in respect of forces' accommodation, which is otherwise exempt. This means in Shepway 240 separate 'relevant amounts' and 30 tax bases have to be calculated.
- 3.3 The 'relevant amount' for 2018/19 is the number of chargeable dwellings in each band as shown in the valuation list on 30 November 2017 less the number of dwellings in each band which are exempt adjusted for:
 - The number of discounts and disabled reductions which apply to those dwellings, plus or minus
 - Estimated changes in properties and discounts and disabled reductions between now and 31 March 2018 multiplied by
 - The proportion which dwellings in that band bear to dwellings in band D using prescribed proportions.
- 3.4 The calculation includes an adjustment based on the estimated amount for the council tax reduction scheme which replaced council tax benefit from the 1 April 2013 as amended for 2018/19.
- 3.5 In simple terms this is the number of Band D equivalents for each band.
- 3.6 Attached are appendices showing the calculation for each Town and Parish area and an aggregate of them all to give the Council Tax base for the whole District.

EXPLANATION OF CALCULATION SHOWN IN APPENDICES 1-31

Line 1 Dwellings. This shows the total number of dwellings in each band as shown in the valuation list on 30 November 2017.

Line 2 Exemptions. This shows the number of dwellings included in the valuation list which according to the Council's records, are exempt from the Council Tax.

Line 3 Disabled Relief. This shows the number of net adjustments for each band of the effect of granting disabled person's relief.

Line 4 Chargeable Dwellings. This shows the aggregate number of dwellings in each band after taking into account the above adjustments. ie. line 1 – line 2 + or – line 3.

Line 5 Discounts – Single. This shows the total number of dwellings in each band where a single discount of 25% is given.

Line 6 Discounts – Double. This shows the total number of dwellings in each band which are entitled to a reduction of two discounts. ie. 50%.

Line 7 Discounts - 10%. This line is no longer applicable as there are no properties receiving a 10% discount since the 1 April 2014

Line 8 – Total Discounts. This shows the total number of discounts shown above ie. Line 5 + (2 x line 6) + (line 7/2.5).

Line 9 Discount Deduction. This shows the effect of the total discounts apportioned to the number of equivalent properties in each band. ie. line 8 x 25%.

Line 10 Adjustments. This line shows the number of adjustments estimated for each tax band between now and 31 March 2018. This includes changes in bands as a result of successful appeals and an estimate of the number of new properties which will be completed and banded before 31 March 2019.

Line 10a Adjustments. This line shows as a band D equivalent only the impact of applying a 50% premium on properties that have been empty over 2 years.

Line 11 Adjustments. This line shows the adjustments for the council tax reduction scheme which has been based on the value of council tax benefit as at the 30 November 2017.

Line 12 Net Dwellings. This shows the total number of dwellings after taking into account all of the above adjustments. ie. Line 4 – Line 9 + or – line 10.

Line 13 Band D Equivalents. This is the 'relevant amount' referred to in the report and is calculated by multiplying the number of net dwellings shown in line 11 by the prescribed proportion used for calculating the number of Band D equivalents. The proportion used for each band is laid down in statute and is as follows:

Band @	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

- 3.7 The total band D equivalents for each part of the district are multiplied by the estimated collection rate to obtain the Tax Base for each part of the district as shown on Appendices 1-31. We are continuing to collect arrears in respect of previous years. A figure of 98.5% was used last year and a figure of 98.5% has been used as the estimated collection rate for 2018/19.

3.8 An estimate of Band D equivalent dwellings is added to those parts of the District where a contribution in lieu is paid by the MoD for forces' accommodation.

4 CONCLUSIONS

4.1 The overall Tax Base for Shepway for 2018/19 is calculated as 38,312.22 compared to 37,431.37 for the current year.

5. LEGAL, FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's comments (DK)

There are no legal implications arising directly out of this report on the basis the Council Tax bases are established in accordance with (and using the relevant formulas contained in) the Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended).

5.2 Finance Officer's comments (DC)

The Council Tax base is proposed to increase by 880.85 due to a general increase in the number of dwellings, along with other movements across the respective Council Tax bands for adjustments on discounts and the Council Tax Reduction Scheme.

The impact of the tax base increase will be taken into account in the final setting of the 2018/19 budget in February 2018, assessed alongside the results of the Local Government Finance Settlement (published December 2017).

5.3 Equalities and Diversities Implications

There are no implications arising directly from this report.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

6.1 Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Report author: Jane Worrell
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6.2 The following background documents have been relied upon in the preparation of this report:

- *Valuation List as at 30 November 2017*

Appendices:

Appendix 1 – Council Tax base calculations