

COUNCIL TAX BASE CALCULATION 2017/18

Cabinet	17 TH January 2017
Report Author	Mandie Kerry Income Manager, EK Services
Portfolio Holder	Councillor Townend, Cabinet Member for Financial Services & Estates
Status	For Decision
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	Significant effect on community (Tax base to be confirmed to enable budget setting and expenditure)
Previously Considered by	None
Ward:	Thanet wide

Executive Summary:

The Council Tax base for the coming year is set by Thanet District Council and is used by Kent County Council, the Police and Crime Commissioner for Kent, Kent and Medway Fire and Rescue Authority and the various town and parish councils when setting their Council Tax and their precepts.

Recommendation(s):

It is recommended that Cabinet:

1. Approve the District's Council Tax Base for 2017/18 as **42,068.58** and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Annex 2;
2. Determine not to revise the Council Tax Discounts for 2017/18

CORPORATE IMPLICATIONS

Financial and Value for Money	The Tax Base as calculated has been used in the preparation of the 2017/18 Budget which is reported separately.
Legal	This tax base has been prepared in accordance with the current regulations which came into force on 30 th November 2012. The Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI:2012:2194)The calculations shown in Appendix 1.
Corporate	Failure to confirm the decision will affect the collection of council tax and budget settings.
Equalities Act 2010 & Public Sector Equality Duty	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation

	<p>and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td></tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td><td></td></tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td><td></td></tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td><td></td></tr> </table> <p><i>No direct equality implications are recognised in this report.</i></p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it		Foster good relations between people who share a protected characteristic and people who do not share it.	
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CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	

1.0 Introduction and Background

- 1.1 The Council is required to set its tax base by 31 January every year, for the following financial year. The tax base is defined mainly in terms of the number of Band D equivalent properties, but it is then adjusted to reflect various discounts.
- 1.2 The Council is also required on an annual basis:
 - (a) To determine whether and, if so, the extent to which it will reduce or remove any Council Tax Discounts;
- 1.3 The tax base for 2017/18 has been prepared in accordance with the current regulations which came into force on 30 November 2012. The calculations are shown in Annex 1.
- 1.4 As the Council Tax base is defined in terms of “Band D equivalent” dwellings, and Band D dwellings are treated as “average” houses, all other properties are defined as a ratio against Band D houses, and pay Council Tax in accordance with that ratio.
- 1.5 The table below illustrates how this works.

Council Tax Band	Ratio to Band D	Number of Dwellings (based on the Valuation Office list)
Band A	6/9	16,167
Band B	7/9	19,414
Band C	8/9	17,398
Band D	9/9	7,671
Band E	11/9	3,916
Band F	13/9	1,486
Band G	15/9	725
Band H	18/9	33
Total		66,810

- 1.6 The basis of the calculation is to multiply the number of dwellings in each band by their respective ratio, then add the totals together to produce a “Band D equivalent” total. This calculation includes a number of adjustments for factors such as single person discounts, people in receipt of Council Tax Reduction Scheme discounts, etc. The total is then adjusted for the anticipated collection rate, in order to determine the tax base. The assumed collection rate recognises that there will be an element that will not be collected and is set at 97.25%.
2. Based on these factors it is recommended that the tax base for 2017/18 is set at **42,068.58**
3. **Identification of Options For the Setting of the Council Tax Base**
 - 3.1 The setting of the Council Tax base is mainly a mechanical process based on the projected number of properties, level of discounts and collection rates, and does not produce options for Members to consider.
4. **Reduction of Council Tax Discounts**
 - 4.1 From the year 2013/2014, the Council removed the following Council Tax Discounts in order to meet the cost of operating the chosen Council Tax Reduction Scheme:
 - (a) Second Home discount of 10% removed;
 - (b) Empty property discount (Class C) removed.
 - 4.2 Reductions in Council Tax discounts are required to be determined on an annual basis, and it is recommended that the existing Council Tax reductions/removals are continued for the year 2017/18.
 - 4.3 The calculation of the Tax Base has been undertaken in accordance with the current Regulations, “Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012:2914)”, which came into force in November 2012.
- 5.0 **The Current Situation:**
 - 5.1 A decision is required to implement the new tax base for 2017/18 which will replace the current one for 2016/17. There are no options re the calculation.

6.0 Options – There are no options available to Members other than to approve

1. Approve the District's Council Tax Base for 2017/18 as **42,068.58** and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Appendix 2;
2. Determine not to revise the Council Tax Discounts for 2017/18.

There are no other options for Members to consider because calculation of council tax base is on the basis of set regulation as stated in the sections above Regulations state that the Tax base must be agreed by January 31ST each year.

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Reporting to:	Mark Emery Acting Head of Customer Delivery EKS. Tim Willis Director of Corporate Resources and S151 officer

Annex List

Annex 1	Council Tax Base Calculation for 2017/18
Annex 2	Council Tax Base For the Towns and Parishes

Background Papers

Local Government Finance Act	<ul style="list-style-type: none">• Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012:2914)• Detailed calculations for District and Parish/Town Council Tax Bases
Council Tax Base Report 2017/18	

Corporate Consultation

Finance	Ken Trotter Interim Head of Financial Services
Legal	Tim Howes, Director of Corporate Governance and Monitoring Officer

The Council Tax Base Calculation for 2017/18

Council Tax Base = A x B:

- (i) A is the total of the "relevant amounts" (or Band D equivalents) for that year for each of the valuation bands which is shown or is likely to be shown for any day in that year in the authority's valuation list as applicable to one or more dwellings situated in this area.
- (ii) B is the authority's estimate of its collection rate for that year (97.25%)
- (iii) The "relevant amount" for a valuation band is the amount found by applying the formula: $(H - Q + E + J) \times (F/G)$
- (iv) H is the number of chargeable dwellings in the area of the Council (as billing authority) on calculated in accordance with the regulations at 30th November 2012
- (v) Q is the factor to take account of the discounts to which the amount of council tax payable was subject to that band, estimated in accordance with the regulations at 30th November 2012
- (vi) E is a factor to take into account any premiums, if any, to which the council tax payable was subject to that band, estimated in accordance with the regulations at 30th November 2012
- (vii) J is the estimated adjustments due to change in the number of dwellings, exemptions and discounts.
- (viii) Z is the total amount that the authority estimates will be applied in relation to the Authority's council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in the band.
- (ix) F is the number which is the proportion of dwellings in that band.
- (x) G is the number that, in that proportion, is applicable to dwellings in band D.

The amount calculated for Thanet District Council's Council Tax Base in 2017/18 is **42,068.58** save for the following parts of the Council's administrative area where its Council Tax Base shall be the amounts shown against each part respectively.

The collection rate has been reviewed with regard to the changes, Council Tax Support discounts and exemptions. This report seeks the approval of a collection rate of 97.25%.

Appendix 2

Parish	2016/2017 Tax Base using collection rate	2017/2018 Tax Base using collection rate	Difference
Acol	105.54	110.25	4.71
Birchington	3803.12	3890.32	87.2
Broadstairs	9178.51	9343.66	165.15
Cliffsend	694.95	703.37	8.42
Manston	360.96	471.82	110.86
Margate	11721.39	12214.16	492.77
Minster	1141.26	1167.15	25.89
Monkton	260.42	270.8	10.38
Ramsgate	10770.33	11140.49	370.16
St Nicholas at Wade and Sarre	383.82	393.55	9.73
Westgate	2270.27	2363.01	92.74
Total Band D Equivalents	40690.57	42068.58	1378.01