

COUNCIL TAX BASE CALCULATION 2019-20

Cabinet	15 January 2019
Report Author	Tim Willis, Deputy Chief Executive and s151 Officer
Portfolio Holder	Councillor Gregory, 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:

- (i) Approve the District's Council Tax Base for 2019-20 as 43,763.27 and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Annex 2;
- (ii) Approve the increase premium for all properties that have been left empty and substantially unfurnished for two years or more. This will take effect from April 2019 and will see the premium increase from 50% to 100% extra on the Council Tax payable.
- (iii) Determine not to revise the Council Tax Reduction Scheme for 2019-20.

CORPORATE IMPLICATIONS

Financial and Value for Money	No direct financial implications arising from this report.
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 are shown in Appendix 1.
Corporate	Failure to confirm the decision will affect the collection of council tax and budget settings.
Equalities Act 2010 & Public	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to

Sector Equality Duty	the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation 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.	
	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.	
	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.		
<i>No direct equality implications are recognised in this report.</i>		

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. 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 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 2019-20 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 Band	Tax	Ratio to Band D	Number of Dwellings (based on the Valuation Office list)
Band A		6/9	16210
Band B		7/9	19548
Band C		8/9	17561
Band D		9/9	7714
Band E		11/9	3941
Band F		13/9	1494
Band G		15/9	743
Band H		18/9	33

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 total 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 of bad debt that will not be collected and is set at 98%

Based on these factors it is recommended that the tax base for 2019-20 is set at **43,763.27**.

2. Identification of Options For the Setting of the Council Tax Base

2.1 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.

3. Approve the Increase for the Long Term Empty Premium

3.1 New Legislation has recently been passed to allow Councils to increase the Long Term Empty Premium currently being charged for domestic properties that have been left empty and substantially unfurnished for two years or more. This will take effect from April 2019 and will see the premium increase from 50% to 100% extra Council Tax payable. This means that if a property is empty and unfurnished for two years or more, Council Tax will be charged double from April 2019. Annex 3 sets out the responses to the consultation on this matter.

There are two exceptions.

3.2 Where the property is left empty by a serving member of the armed forces, who is living elsewhere in accommodation provided by the Secretary of State for defence; or where the property is the sole or main residence of a serving member of the armed forces, who is subject to a job related discount at an alternative address provided by the Secretary of State for defence.

3.3 Empty Annexes are not subject to the Long Term Empty Premium.

4. Continuation of the current Council Tax Reduction Scheme

4.1 The reduction of Council Tax discounts is a separate decision from the decision to continue with the current Council Tax Reduction Scheme (which had been approved

by Full Council in January 2017) Approval is sought to continue the current scheme for 2019-20.

5. The Current Situation:

- 5.1 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.
- 5.2 A decision is required to implement the new tax base for 2019-20 which will replace the current one for 2018-19. There are no options re the calculation.

6. Options

- 6.1 There are no options available to Members other than to approve the Districts Council Tax base, approve no revision of the Council Tax Discounts, and approve no revision of the Council Tax Reduction Scheme. This is 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 31 each year.

Therefore;

- (i) Approve the District's Council Tax Base for 2019-20 and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Appendix 2;
- (ii) Determine not to revise the Council Tax Reduction Scheme for 2019-20.
- 6.2 There is however an option of not approving the increase in the charge for the Premium for properties empty 2 years or more from 50% to 100%. Approval is sought further to the results of the consultation completed in December which concludes the opinions of the public.

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Reporting to:	Tim Willis, Deputy Chief Executive and s151 Officer

Annex List

Annex 1	Council Tax Base Calculation for 2019-20
Annex 2	Council Tax Base For the Towns and Parishes
Annex 3	Consultation results for the increase in the Long Term Empty Premium

Background Papers

Local Government Finance Act	Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012:2914)
Council Tax Base Report 2019/20	Detailed calculations for District and Parish/Town Council Tax Bases

Corporate Consultation

Finance	Gary Whittaker Interim Head of Financial and Procurement Services
Legal	Sophia Nartey, Interim Head of Legal Services