Agenda Item No: 8

Report To: Cabinet

Date: 3 December 2015

**Report Title:** Council Tax Base 2016-17

Portfolio Holder Cllr Shorter

Finance, Budget and Resource Management

**Report Author:** Jo Stocks

Senior Accountant

**Summary:** This Council is required to approve the tax base, used to

calculate the level of Council Tax for 2016-17. It is calculated with regard to the number of domestic properties (including a forecast of new properties), which are then converted to Band

D equivalents.

The tax base has been calculated at 43,750 band D properties, and is an increase of 1,385 (or 3.17%) on the

current year.

**Key Decision:** YES

Affected Wards: All

Recommendations: The Cabinet be asked to:-

1. Agree the 2016-17 'Net' tax base of 43,750 Band D equivalent properties

- 2. Agree the distribution across parished areas of the proposed grant to parish councils to help compensate for the negative impact caused by the council tax support scheme on parish councils' tax bases (see appendix D totalling £40,900).
- 3. Note the possibility of further cabinet and council decisions being required, before the end of January, should any material change in the tax base be required, as a consequence of any further relevant funding announcements from government.

**Policy Overview:** The Council Tax base is required to be set in accordance with

the Local Authorities (Calculations of Tax Base) Regulations

1992.

Financial Implications:

The tax base recommended will be used to calculate the level of Council tax requirement that will be recommended to the Council on 14th February 2016.

Equalities Impact Assessment

NO – a stage 1 screening tool will need to be completed for

the budget.

Other Material Implications:

None

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## Report Title: Council Tax Base 2016-17

### **Purpose of the Report**

1. To set the Council Tax Base for 2016-17

#### Issue to be Decided

2. The Council Tax Base for 2016-17 and its distribution across parished and un-parished areas needs to be agreed.

### Background

3. By 31<sup>st</sup> January 2016 the council as the 'billing authority' is required to notify its major precepting bodies (Kent County Council, Kent Police Authority and Kent and Medway Fire and Rescue Authority) and the parishes of the relevant council tax base for the 2016-17 financial year.

### **Council Tax Support**

- 4. In 2013-14 Government abolished Council Tax Benefit and replaced it with a requirement for councils to introduce (from April 2013) locally agreed schemes of discounts for Council Tax support. The Government transferred 90% of funding to local authorities, effectively tasking local government with delivering a 10% reduction in the cost of this benefit or discount. Government required that when designing schemes authorities fully protected pensioners (those eligible to council tax support) and have regard for other vulnerable groups.
- 5. In 2013 the council consulted on a scheme that fully protects eligible pensioners, provides a partial protection to the disabled (at the time the only council in Kent to provide such a protection), and by taking up the government's one-off offer of a special transitional grant, was able to limit working-age claimant contributions (for those previously not paying any council tax) to 8.5% of their council tax liability. Without the special grant the contribution level would have been 17.5%. For 2014/15 the scheme was amended setting the contribution level at 10% for working age claimants (the same level as the cut in grant). Council Tax Support is a discount against council tax therefore the lower the level of taxpayer contribution rate the greater is the negative impact for the council tax base.
- 6. In order to protect the disabled, parish councils and lower the level of contribution the council decided to reduce the level of council tax discounts offered to short-term empty properties from 6 months to 6 weeks, introduce a premium on long-term empty properties and remove the 10% discount for second homes. The major preceptors agreed that this revenue would be used to support the scheme for 2013-14, 2014-15 and 2015-16. We are asking members once again to endorse the proposal that we ask the major preceptors to continue this arrangement for 2016-17. It is necessary to consult the preceptors each year on the totality of our scheme.

#### **Protection for Parish Councils**

- 7. The introduction of Council Tax Support effectively reduced the tax base for many if not all of the parish councils. If no action was taken this would have resulted in tax payers suffering increases in their tax towards parish precepts, even in circumstances where the cash amount of precept was unchanged. Following government guidelines the council introduced a grant (a total of £82,000) that paid parish councils the equivalent of the revenue they lost due to the changes in the tax base.
- 8. In 2014/15 a working group of parish and borough councillors met to discuss funding of this grant and recommended that the total funding for the grant be reduced in line government cuts to formula grant. Accordingly the grant available for parish councils is proposed to be a total of £40,900 in 2016-17 to be allocated based on the level of their precept and the CTS discounts for their parish. The proposed allocation is detailed in **Appendix D**.

### The Tax Base (adjusted for various allowances)

- 9. The council has already submitted a tax base return to central government, which will be used in the calculation of Revenue Support Grant. This figure is 48,205 (2015-16 47,691), but is based on the number of properties on the valuation list as at 1st October 2015 and excludes provisions for new properties, Council Tax Support discounts, and allowances for non-collection.
- 10. The tax base calculation made in this report allows for new properties anticipated to be coming on to the Valuation List. It is forecast that 554 properties will be completed during the 18 months from October 2015 to March 2016.
- 11. In calculating the tax base the authority must also have regard to discounts, exemptions, non-collection and appeals. For the purposes of this calculation 1.0% has been estimated for losses on collections and appeals, this is consistent with the collection levels that are being achieved.
- 12. For 2016-17 the tax base has been calculated at 43,750 (2015-16 42,365) as detailed at **Appendices A, B & C**.

## **Implications Assessment**

13. The Council Tax base is an important element of the budget setting process, estimating the number of properties upon which council tax will be levied.

## Handling

14. Once agreed by the Council the tax base will be notified to the County Council, Kent Police, Kent and Medway Fire Authority and the Parish Councils.

#### Conclusion

15. The 2016-17 tax base is higher than assumptions within the Financial Strategy and the calculation results in a tax base of 43,750.00 band D

equivalent properties. This will be used in the detailed budget and council tax setting calculations.

## **Portfolio Holder's Views**

16. To be given at the meeting

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### TAX BASE 2015/2016 BAND D EQUIVALENTS

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BAND		Α	В	С	D	Е	F	G	Н	TOTAL
PARISH										
Aldington and Bonnington	0.00	17.20	10.60	113.30	88.00	82.20	124.10	147.20	3.00	585.60
Appledore	0.00	6.20	9.30	48.70	75.50	49.00	63.90	70.50	2.00	325.10
Bethersden	0.00	24.90	47.20	59.70	100.20	141.10	104.40	217.50	13.50	708.50
Biddenden	1.10	81.90	28.60	187.00	104.10	161.20	205.30	314.60	14.00	1,097.80
Bilsington	0.00	7.70	5.20	9.90	20.80	24.90	33.60	47.30	0.00	149.40
Boughton Aluph and Eastwell	0.00	8.20	64.90	104.00	224.70	260.50	265.80	118.30	8.00	1,054.40
Brabourne	0.00	4.20	16.90	49.70	126.80	172.40	134.10	82.40	9.50	596.00
Brook	0.00	2.20	0.80	2.40	17.60	60.10	36.40	34.20	0.00	153.70
Challock	0.00	1.00	6.40	20.20	72.50	81.80	128.40	91.70	7.50	409.50
Charing	0.00	72.90	106.30	181.90	185.60	220.70	250.60	245.10	8.00	1,271.10
Chilham	0.60	7.50	33.10	110.80	167.50	150.30	119.10	137.10	22.00	748.00
Crundale (PM)	0.00	1.30	3.10	5.30	11.80	15.10	20.20	34.60	2.00	93.40
Egerton	0.00	7.20	21.20	33.30	78.70	96.80	130.40	136.70	3.50	507.80
Godmersham	0.00	-0.30	4.50	16.20	28.40	59.30	30.30	36.30	3.50	178.20
Great Chart with Singleton	0.00	94.00	371.50	647.20	709.70	342.10	177.20	99.00	4.00	2,444.70
Hastingleigh	0.00	3.30	1.30	5.30	26.20	10.40	35.80	29.60	4.00	115.90
High Halden	0.00	78.40	30.50	150.90	54.30	86.30	136.70	179.70	6.00	722.80
Hothfield	2.80	14.00	81.70	65.60	26.70	28.70	22.80	41.70	6.00	290.00
Kenardington	0.00	2.90	0.80	21.00	8.50	21.40	16.50	32.50	3.50	107.10
Kingsnorth	0.00	10.40	259.00	833.80	1,044.50	1,045.60	1,071.00	111.90	2.00	4,378.20
Little Chart	0.00	4.80	3.30	11.30	17.80	17.40	16.50	47.90	6.00	125.00
Mersham and Sevington	0.00	7.20	20.50	51.90	92.50	176.70	167.50	119.70	7.50	643.50
Molash	0.00	2.50	4.80	8.70	17.60	15.90	17.10	36.30	2.00	104.90
Newenden	0.00	0.00	0.80	13.50	18.00	14.40	21.20	34.20	2.00	104.10
Orlestone	0.00	3.70	27.00	189.00	140.00	56.20	125.70	22.00	2.00	565.60
Pluckley	0.00	7.90	12.00	67.00	63.60	63.40	92.80	162.70	4.00	473.40
Rolvenden	0.00	9.90	16.10	136.60	106.10	124.20	102.80	161.30	29.00	686.00
Ruckinge	0.00	9.90	5.30	21.70	26.10	92.30	103.90	59.70	2.00	320.90
Shadoxhurst	0.00	12.30	18.80	55.50	62.70	156.30	149.90	47.10	0.00	502.60
Smarden	0.00	13.20	23.20	51.70	69.80	82.70	113.60	250.40	22.00	626.60
Smeeth	0.00	6.50	13.50	68.70	55.60	95.30	61.10	57.50	2.50	360.70
Stanhope	0.00	130.50	546.60	108.70	1.00	1.60	0.00	0.00	2.00	790.40
Stone	0.00	3.20	3.70	31.40	26.50	26.00	36.80	71.50	3.50	202.60

Tenterden (TC)	1.10	33.00	134.20	493.90	670.20	723.80	750.60	611.30	55.00	3,473.10
Warehorne	0.00	2.80	6.40	24.10	29.50	41.10	28.40	44.10	2.00	178.40
Westwell	0.00	10.70	11.40	25.80	58.50	82.60	52.70	73.50	7.50	322.70
Wittersham	0.00	5.40	20.30	86.40	53.10	120.70	85.20	140.60	19.00	530.70
Woodchurch	0.60	92.10	17.00	105.80	141.00	112.70	156.70	204.20	8.00	838.10
Wye with Hinxhill	0.00	40.30	93.90	160.70	204.10	174.40	222.50	140.80	19.00	1,055.70
Unparished Area	0.60	1,089.60	4,904.30	4,652.40	2,330.00	1,576.40	1,454.10	254.20	8.00	16,269.60
	6.80	1,930.60	6,986.00	9,031.00	7,355.80	6,864.00	6,865.70	4,746.90	325.00	44,111.80
Contributions in Lieu					78.60					78.60
Less 1% Provision	(0.10)	(19.30)	(69.90)	(90.30)	(72.70)	(68.60)	(68.70)	(47.50)	(3.30)	(440.40)
	6.70	1,911.30	6,916.10	8,940.70	7,361.70	6,795.40	6,797.00	4,699.40	321.70	43,750.00

## Appendix B

#### ANALYSIS OF PROPERTIES FOR WHOLE AUTHORITY

		Α	В	С	D	E	F	G	н	TOTAL
		No.	No.	No.	No.	No.	No.	No.	No.	No.
Dwellings	0.00	4,056.00	12,185.00	12,352.00	8,600.00	6,314.00	5,169.00	3,047.00	185.00	51,908.00
Exemptions	0.00	(150.00)	(108.00)	(92.00)	(131.00)	(29.00)	(24.00)	(15.00)	(3.00)	(552.00)
Disabled reductions	0.00	(12.00)	(41.00)	(58.00)	(45.00)	(61.00)	(48.00)	(28.00)	(12.00)	(305.00)
Effectively chargeable	12.00	41.00	58.00	45.00	61.00	48.00	28.00	12.00	0.00	305.00
Total Chargeable Dwellings - Line 4	12.00	3,935.00	12,094.00	12,247.00	8,485.00	6,272.00	5,125.00	3,016.00	170.00	51,356.00
Full Charge	4.00	1,753.00	7,132.00	8,275.00	6,170.00	4,868.00	4,232.00	2,549.00	145.00	35,128.00
Class C	0.00	24.00	69.00	35.00	22.00	19.00	6.00	5.00	1.00	181.00
Discount	2.00	2,017.00	4,623.00	3,753.00	2,145.00	1,293.00	791.00	378.00	16.00	15,018.00
Discount (Disregard Disc)	6.00	7.00	9.00	6.00	13.00	5.00	17.00	19.00	2.00	84.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Discount on 2nd Homes	0.00	77.00	103.00	91.00	74.00	60.00	44.00	46.00	6.00	501.00
Full Charge on LT Empties	0.00	36.00	127.00	72.00	44.00	17.00	33.00	14.00	(2.00)	341.00
Premium on LT Empties	0.00	21.00	31.00	15.00	17.00	10.00	2.00	5.00	2.00	103.00
Total number of Properties	12.00	3,935.00	12,094.00	12,247.00	8,485.00	6,272.00	5,125.00	3,016.00	170.00	51,356.00
Total Equivalent Number - CTB1	12.00	3,389.75	10,811.25	11,243.25	7,906.75	5,913.25	4,907.75	2,904.50	164.00	47,252.50
Adjust for Council Tax Support	0.00	(656.80)	(1,815.45)	(1,322.49)	(722.29)	(282.92)	(142.61)	(49.07)	0.00	(4,991.63)
New Properties		238.00	40.00	285.00	237.00					800.00
Exemptions Factor		(75.00)	(54.00)	(46.00)	(65.50)	(14.50)	(12.00)	(7.50)	(1.50)	(276.00)
	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	2	
BAND D EQUIVALENTS - ABC	6.80	1,930.60	6,986.00	9,031.00	7,355.80	6,864.00	6,865.70	4,746.90	325.00	44,111.80
<u>Adjustments</u>	_									
UNBANDED @ 100%				0.00	0.00					
Adjusted Band D equivalents	6.80	1,930.60	6,986.00	9,031.00	7,355.80	6,864.00	6,865.70	4,746.90	325.00	44,111.80
Contributions in Lieu	0.00	0.00	0.00	0.00	78.60	0.00	0.00	0.00	0.00	78.60
Losses In Collection	0.00	(19.00)	(69.70)	(90.60)	(73.80)	(68.50)	(68.60)	(47.20)	(3.00)	(440.40)
Tax base	6.80	1,911.60	6,916.30	8,940.40	7,360.60	6,795.50	6,797.10	4,699.70	322.00	43,750.00

## TAX BASE 2015/2016 LOCAL TAX BASE (WHOLE/PART AREAS)

LOCAL	WHOLE AREA	BAND D	NEW	1.0%	Less discounts	LOCAL
TAX BASE		EQUIVALENT	OCCUPATIONS	PROVISION	Council Tax	TAX BASE
2014/2015		EQUIVALENT	OCCUPATIONS	PROVISION	Support	2015/2016
2014/2015		47,310.00	502.00	(426.60)	(5,020.40)	42,365.00
	<u> </u>	47,310.00	302.00	(420.00)	(5,020.40)	42,303.00
	PARISH					
	PARISIT					
550.90	Aldington & Bonnington	609.40	23.60	(5.80)	(47.40)	579.80
326.00	Appledore	378.70	0.00	(3.30)	(53.60)	321.80
676.80	Bethersden	755.20	15.00	(7.00)	(61.70)	701.50
1,078.40	Biddenden	1,173.70	7.60	(10.90)	(83.50)	1,086.90
143.10	Bilsington	161.20	0.00	(1.50)	(11.80)	147.90
1,038.10	Boughton Aluph and Eastwell	1,124.50	0.00	(10.50)	(70.10)	1,043.90
586.10	Brabourne	625.40	0.00	(5.90)	(29.40)	590.10
150.30	Brook	156.90	0.00	(1.50)	(3.20)	152.20
414.30	Challock	425.30	0.00	(4.10)	(15.80)	405.40
1,204.00	Charing	1,346.90	42.40	(12.80)	(118.20)	1,258.30
716.70	Chilham	785.10	28.30	(7.50)	(65.40)	740.50
92.70	Crundale (PM)	94.50	0.00	(0.90)	(1.10)	92.50
499.80	Egerton	534.00	0.00	(5.10)	(26.20)	502.70
173.80	Godmersham	182.90	0.00	(1.80)	(4.70)	176.40
2,307.00	Great Chart with Singleton	2,628.90	16.00	(24.50)	(200.20)	2,420.20
113.20	Hastingleigh	120.10	0.00	(1.20)	(4.20)	114.70
715.20	High Halden	775.00	0.00	(7.30)	(52.20)	715.50
276.00	Hothfield	348.90	0.00	(2.90)	(58.90)	287.10
102.00	Kenardington	117.20	0.00	(1.00)	(10.10)	106.10
4,076.50	Kingsnorth	4,456.80	181.30	(43.70)	(259.90)	4,334.50
124.10	Little Chart	129.00	0.00	(1.30)	(4.00)	123.70
627.9	Mersham and Sevington	675.00	0.00	(6.40)	(31.50)	637.10
107.2	Molash	116.30	0.00	(1.10)	(11.40)	103.80
104.2	Newenden	108.60	0.00	(0.90)	(4.50)	103.20
554.9	Orlestone	590.40	28.30	(5.70)	(53.10)	559.90

473.6	Pluckley	509.40	0.00	(4.60)	(36.00)	468.80
654.6	Rolvenden	728.70	14.10	(6.90)	(56.80)	679.10
326.3	Ruckinge	343.80	0.00	(3.20)	(22.90)	317.70
489.6	Shadoxhurst	528.80	12.20	(5.10)	(38.40)	497.50
603	Smarden	666.70	0.00	(6.10)	(40.10)	620.50
349.1	Smeeth	392.10	0.00	(3.70)	(31.40)	357.00
711.7	Stanhope	1,024.30	0.00	(7.90)	(233.90)	782.50
209.6	Stone	224.10	0.00	(2.00)	(21.50)	200.60
3433.1	Tenterden (TC)	3,766.30	0.00	(34.60)	(293.20)	3,438.50
171.4	Warehorne	186.50	0.00	(1.70)	(8.10)	176.70
321.6	Westwell	340.10	0.00	(3.20)	(17.40)	319.50
524.1	Wittersham	586.40	0.00	(5.40)	(55.70)	525.30
818	Woodchurch	897.30	0.00	(8.40)	(59.20)	829.70
984.5	Wye with Hinxhill	1,127.90	12.20	(10.40)	(84.40)	1,045.30
15,535.60	Unparished Area	18,149.30	299.00	(162.60)	(2,100.10)	16,185.60
				<u> </u>		
42,365.00		47,891.60	680.00	(440.40)	(4,381.20)	43,750.00

# Proposed allocation of CTS grant

Parish	Discounts for Council Tax Support (Band	Proposed Council Tax Support Grant 2016-17
	D Equivalents)	
Aldington & Bonnington	(47.40)	850
Appledore	(53.60)	960
Bethersden	(61.70)	1110
Biddenden	(83.50)	1500
Bilsington	(11.80)	210
Boughton Aluph and Eastwell	(70.10)	1260
Brabourne	(29.40)	530
Brook	(3.20)	60
Challock	(15.80)	280
Charing	(118.20)	2120
Chilham	(65.40)	1170
Crundale (PM)	(1.10)	20
Egerton	(26.20)	470
Godmersham	(4.70)	80
Great Chart with Singleton	(200.20)	3590
Hastingleigh	(4.20)	80
High Halden	(52.20)	940
Hothfield	(58.90)	1060
Kenardington	(10.10)	180
Kingsnorth	(259.90)	4660
Little Chart	(4.00)	70
Mersham and Sevington	(31.50)	560
Molash	(11.40)	200
Newenden	(4.50)	80
Orlestone	(53.10)	950
Pluckley	(36.00)	650
Rolvenden	(56.80)	1020
Ruckinge	(22.90)	410
Shadoxhurst	(38.40)	690
Smarden	(40.10)	720
Smeeth	(31.40)	560
Stanhope	(233.90)	4190
Stone	(21.50)	390
Tenterden (TC)	(293.20)	5250
Warehorne	(8.10)	150
Westwell	(17.40)	310
Wittersham	(55.70)	1000
Woodchurch	(59.20)	1060
Wye with Hinxhill	(84.40)	1510
	2,281.10	40,900