

Agenda Item No: 8

Report To: Cabinet

Date of Meeting: 7 December 2017

Report Title: Council Tax Base 2018/19

Report Author & Job Title: Jo Stocks - Senior Accountant

Portfolio Holder Cllr Shorter Portfolio Holder for Finance & Budget, Resource
Portfolio Holder for: Management and Procurement



Summary: This Council is required to approve the tax base used to calculate the level of Council Tax for 2018/19. 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 45,680 band D properties, an increase of 1,008 (or 2.26%) on the current year.

Key Decision: YES

Significantly Affected Wards: All

Recommendations: **The Cabinet is recommended to:-**

- I. Agree the 2018/19 'Net' tax base of 45,680 Band D equivalent properties
- II. 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 council's' tax bases (see appendix D totalling £40,900).
- III. 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 2012

**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 8 February 2018.

Legal Implications

**Equalities Impact
Assessment**

As part of the final budget reported to Cabinet in February

**Other Material
Implications:**

None

**Exempt from
Publication:**

NO

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Report Title: Council Tax Base 2018/19

Introduction and Background

1. The Council Tax Base for 2018/19 and its distribution across parished and un-parished areas needs to be agreed.
2. By 31 January 2018 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 2018/19 financial year.

Council Tax Support

3. A Council Tax support scheme was introduced in April 2013 to address the abolition of Council Tax Benefit, and the associated 10% funding reduction by Government (Cabinet 2012).
4. The Kent scheme was updated in April 2017 (Cabinet December 2016), at the request of the major preceptors.
5. The scheme is designed to incentivise work and asks those people of working age, who currently claim council tax support, to contribute something towards their council tax. The scheme was amended to include the following, for working age claimants:
 - a. Set the contribution level at 17.5%
 - b. The capital threshold is set to £10,000
 - c. A Band D cap has been introduced
 - d. A flat rate £10 per week deduction in respect of a non-dependant (unless the non-dependant is disregarded)
 - e. A minimum income floor has been introduced in respect of self-employed claimants
 - f. Second Adult rebate has been abolished
6. There are no planned changes to the scheme for 2018/19.

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 were taken this would have

resulted in taxpayers 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 with government cuts to formula grant. Accordingly the grant available for parish councils is proposed to be a total of £40,900 in 2018/19 be allocated based on the level of their precept and the Council Tax Support 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 49,814 (2017/18 49,187), but is based on the number of properties on the valuation list as at 1 October 2017 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 2,329 properties will be completed during the 18 months from October 2016 to March 2017.
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% has been estimated for losses on collections and appeals, this is consistent with the collection levels that are being achieved.
12. In the Autumn Budget 2017 the Chancellor announced that long term empty properties could be charged a 100% premium (currently 50%) on their council tax. The tax base has not been adjusted to include this additional charge. Officers have calculated the impact to the tax base would see an increase of around 59 properties, assuming this increase does not act as a deterrent to lower the numbers of long-term empty properties. Officers are seeking members' views on this potential change and will put forward a proposal in the budget report.
13. For 2018/19 the tax base has been calculated at 45,680 (2017/18 was 44,671) as detailed at **Appendices A, B & C**.

Implications and Risk Assessment

14. 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.

Next Steps in Process

15. 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

16. The 2018/19 tax base is in line with the assumptions in the Financial Strategy and the calculation results in a tax base of 45,680 band D equivalent properties. This will be used in the detailed budget and council tax setting calculations.

Portfolio Holder's Views

17. To be given at meeting.

Contact and Email

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**TAX BASE 2018/19
BAND D EQUIVALENTS**

BAND		A	B	C	D	E	F	G	H	TOTAL
PARISH										
Aldington and Bonnington	0	19	21	112	84	83	142	149	3	613
Appledore	0	6	10	48	79	51	69	77	2	342
Bethersden	0	22	45	55	95	145	113	226	12	713
Biddenden	1	75	26	187	116	170	212	314	19	1,120
Bilsington	0	6	3	10	18	24	37	46	0	144
Boughton Aluph and Eastwell	0	8	63	96	227	260	275	116	8	1,053
Brabourne	0	4	17	46	127	170	137	88	7	596
Brook	0	2	1	6	23	60	37	34	0	163
Challock	0	9	7	40	97	83	141	105	9	491
Charing	0	63	90	177	185	218	265	290	8	1,296
Chilham	0	8	36	105	157	182	120	133	20	761
Crundale (PM)	0	1	2	6	13	15	20	35	1	93
Egerton	0	7	22	36	87	95	130	129	4	510
Godmersham	0	1	5	14	29	56	28	34	4	171
Great Chart with Singleton	0	89	366	644	720	344	186	97	4	2,450
Hastingleigh	0	3	2	4	25	10	33	33	4	114
High Halden	0	51	58	150	58	95	141	182	6	741
Hothfield	2	7	61	74	34	27	22	42	4	273
Kenardington	0	3	1	23	9	21	17	33	3	110
Kingsnorth	0	8	269	762	1,028	1,111	1,092	113	2	4,385
Little Chart	0	3	1	13	21	17	20	51	5	131
Mersham and Sevington	0	6	29	107	145	190	230	125	5	837
Molash	0	2	3	9	18	18	18	37	4	109
Newenden	0	1	1	11	18	13	23	32	2	101
Orlestone	0	3	21	183	130	56	156	40	2	591
Pluckley	0	8	12	72	76	62	93	165	3	491
Rolvenden	0	7	14	141	112	117	105	166	31	693
Ruckinge	0	11	5	25	30	92	104	69	2	338
Shadoxhurst	0	17	17	63	71	158	166	51	0	543
Swarden	0	11	21	67	86	80	116	257	22	660
Smeeth	0	6	9	67	60	98	61	60	5	366
Stanhope	0	121	519	114	0	3	0	0	2	759
Stone	0	4	3	30	26	26	38	74	3	204

Tenterden (TC)	0	23	116	570	769	742	754	609	47	3,630
Warehorne	0	4	6	23	28	39	28	44	2	174
Westwell	0	10	11	27	60	84	54	75	8	329
Wittersham	0	8	16	89	51	121	88	139	19	531
Woodchurch	1	89	15	112	149	112	163	206	8	855
Wye with Hinxhill	0	31	73	158	218	175	223	143	18	1,039
Unparished Area	1	1,451	4,898	4,989	2,769	1,656	1,501	270	8	17,543
	5	2,208	6,895	9,465	8,048	7,079	7,158	4,889	316	46,063
Contributions in Lieu	0	0	0	0	79	0	0	0	0	79
Less 1% Provision	0	(22)	(69)	(95)	(80)	(71)	(73)	(49)	(3)	(462)
	5	2,186	6,826	9,370	8,047	7,008	7,085	4,840	313	45,680

ANALYSIS OF PROPERTIES FOR WHOLE AUTHORITY 2018/19

		A No.	B No.	C No.	D No.	E No.	F No.	G No.	H No.	TOTAL No.
Total Chargeable Dwellings	9	3,935	12,591	12,555	8,815	6,401	5,286	3,098	170	52,860
Of which:										
Full Charge	6	1,790	7,500	8,489	6,454	4,983	4,394	2,620	142	36,378
Class C	0	23	70	52	31	11	6	4	0	197
Discount	2	1,992	4,780	3,765	2,128	1,278	787	390	18	15,140
Discount (Disregard Disc)	1	5	8	3	14	6	14	18	1	70
Discount on 2nd Homes	0	80	111	92	90	61	49	47	8	538
Full Charge on LT Empties	0	33	109	138	80	55	24	13	1	452
Premium on LT Empties	0	12	14	17	18	8	12	6	0	86
Total number of Properties	9	3,935	12,591	12,555	8,815	6,401	5,286	3,098	170	52,860
Total Equivalent Number - CTB1	4	2,248	8,763	10,235	8,200	7,379	7,297	4,940	322	49,387
Adjust for Council Tax Support	0	(661)	(1,954)	(1,324)	(568)	(263)	(123)	(39)	0	(4,933)
New Properties	0	671	131	602	477	0	0	0	0	1,881
Exemptions Factor	0	(52)	(47)	(46)	(61)	(34)	(16)	(11)	(5)	(272)
Adjusted Band D equivalentents	4	2,206	6,892	9,466	8,048	7,082	7,158	4,890	317	46,062
Contributions in Lieu	0	0	0	0	79	0	0	0	0	79
Losses In Collection	(0)	(22)	(69)	(95)	(80)	(71)	(72)	(49)	(3)	(461)
Tax base	4	2,184	6,823	9,372	8,046	7,011	7,086	4,841	314	45,680

TAX BASE 2018/19
LOCAL TAX BASE (WHOLE/PART AREAS)

LOCAL TAX BASE	WHOLE AREA	BAND D EQUIVALENT	NEW OCCUPATIONS	0.75% PROVISION	Less discounts Council Tax Support	LOCAL TAX BASE
2017/18		48,719	658.00	(337)	(4,368)	2018/19 44,672
	PARISH					
594	Aldington & Bonnington	652	17	(6)	(56)	607
339	Appledore	384	3	(3)	(46)	338
702	Bethersden	774	7	(7)	(68)	706
1,096	Biddenden	1,186	22	(11)	(88)	1,109
146	Bilsington	155	1	(1)	(11)	144
1,067	Boughton Aluph and Eastwell	1,117	2	(11)	(66)	1,042
597	Brabourne	618	2	(6)	(24)	590
155	Brook	157	8	(2)	(2)	161
453	Challock	460	43	(5)	(12)	486
1,306	Charing	1,421	24	(13)	(149)	1,283
746	Chilham	818	18	(8)	(75)	753
93	Crundale (PM)	94	0	(1)	(1)	92
501	Egerton	523	14	(5)	(27)	505
173	Godmersham	176	0	(2)	(5)	169
2,415	Great Chart with Singleton	2,629	47	(24)	(227)	2,425
114	Hastingleigh	120	0	(1)	(7)	112
716	High Halden	790	15	(7)	(64)	734
264	Hothfield	327	21	(3)	(75)	270
107	Kenardington	117	4	(1)	(12)	108
4,435	Kingsnorth	4,625	4	(44)	(244)	4,341
129	Little Chart	132	2	(1)	(3)	130
740	Mersham and Sevington	859	19	(8)	(41)	829
108	Molash	119	0	(1)	(10)	108
102	Newenden	108	0	(1)	(6)	101
597	Orlestone	649	0	(6)	(58)	585
476	Pluckley	513	21	(5)	(43)	486

681	Rolvenden	731	30	(7)	(68)	686
335	Ruckinge	350	5	(3)	(17)	335
543	Shadoxhurst	559	23	(5)	(38)	539
641	Smarden	669	34	(7)	(43)	653
360	Smeeth	398	4	(4)	(36)	362
777	Stanhope	1,043	0	(8)	(284)	751
202	Stone	224	0	(2)	(20)	202
3,534	Tenterden (TC)	3,767	177	(36)	(315)	3,593
175	Warehorne	179	1	(2)	(6)	172
325	Westwell	344	1	(3)	(16)	326
529	Wittersham	584	3	(5)	(56)	526
835	Woodchurch	904	17	(9)	(66)	846
1,025	Wye with Hinxhill	1,125	26	(10)	(113)	1,028
16,539	Unparished Area	18,789	1,268	(175)	(2,435)	17,447
44,672		49,189	1,883	(459)	(4,933)	45,680

Proposed allocation of CTS grant

Parish	Discounts for Council Tax Support (Band D Equivalents)	Proposed Council Tax Support Grant 2017/18 £
Aldington & Bonnington	(56)	920
Appledore	(46)	750
Bethersden	(68)	1,110
Biddenden	(88)	1,440
Bilsington	(11)	180
Boughton Aluph and Eastwell	(66)	1,090
Brabourne	(24)	390
Brook	(2)	30
Challock	(12)	200
Charing	(149)	2,440
Chilham	(75)	1,230
Crundale (PM)	(1)	10
Egerton	(27)	430
Godmersham	(5)	80
Great Chart with Singleton	(227)	3,720
Hastingleigh	(7)	110
High Halden	(64)	1,050
Hothfield	(75)	1,230
Kenardington	(12)	190
Kingsnorth	(244)	3,990
Little Chart	(3)	50
Mersham and Sevington	(41)	670
Molash	(10)	160
Newenden	(6)	110
Orlestone	(58)	950
Pluckley	(43)	710
Rolvenden	(68)	1,110
Ruckinge	(17)	280
Shadoxhurst	(38)	620
Smarden	(43)	700
Smeeth	(36)	580
Stanhope	(284)	4,650
Stone	(20)	330
Tenterden (TC)	(315)	5,170
Warehorne	(6)	100
Westwell	(16)	260
Wittersham	(56)	920
Woodchurch	(66)	1,080
Wye with Hinxhill	(113)	1,860
	2,498	40,900