

<b>22 January 2014</b>		<b>ITEM: 11</b>
<b>Council</b>		
<b>COUNCIL TAX BASE 2014/15</b>		
Report of: Councillor John Kent		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Graham Farrant, Chief Executive		
This report is public		
<b>Purpose of Report:</b> To set the Council Tax Base for 2014/15		

### **EXECUTIVE SUMMARY**

This report sets out the number of properties within Thurrock and classifies them into Band D equivalents for budget setting purposes.

#### **1. RECOMMENDATIONS:**

##### **1.1 To set the Council Tax base for 2014/15 by approving the following resolutions:-**

- (a) that the report of the Head of Corporate Finance for the calculation of the Council's Tax Base for the year 2014/15 be approved.**
- (b) that pursuant to the Head of Corporate Finance report and in accordance with the relevant regulations, the amount calculated by Thurrock Council as its Council Tax Base for the year 2014/15 shall be 46,444.**

#### **2. INTRODUCTION AND BACKGROUND:**

2.1 This report is one of the components required for the setting of the 2014/15 budget and Council Tax. It does not fix the Council Tax rate. This will be decided as part of the 2014/15 Budget reports, which will be considered in February 2014.

2.2 The Council Tax base represents the Council's total taxable resources. A brief explanation of the method of calculation is given in this report. The full Council is required to make this calculation and, because it is also used by the Police

and Fire Authorities to calculate the precept payable, the precepting bodies must be notified of the result before 31st January in each year.

### 3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

#### The Tax Base Calculation

- 3.1 The Valuation Officer of the Inland Revenue (called the Listing Officer for Council Tax purposes), places each property in the Borough in one of eight valuation bands. Each band relates to the estimated capital value of the property as at 1st April 1991. Examples are that the lowest band (A) covers properties that were then up to a value of £40,000 whereas the highest band (H) covers all properties which then exceeded £320,000 in value.
- 3.2 Having done this, the Listing Officer produces a Valuation List, which shows the band allocated to each property. The individual properties are then added together to produce the total number of properties in each band and the total of all properties in the Borough. The current list for this Authority gives the following results:

<b>BAND</b>	<b><u>NUMBER OF PROPERTIES</u></b>
A	7,321
B	13,035
C	26,206
D	11,237
E	4,362
F	2,043
G	774
H	41
<b>Total</b>	<b><u>65,019</u></b>

- 3.3 From this it can be seen that 71% of Thurrock properties are in Bands A-C.
- 3.4 Each band will be charged a different amount of tax. The proportion payable by each band is laid down by statute. A Band D property was taken as the national average and occupants of these properties will therefore pay the base rate of tax. Lower banded properties pay less (Band A properties pay two thirds of the Band D rate) while higher banded properties pay more (Band H properties pay twice the Band D rate).
- 3.5 As required, the full calculation of the tax base is set out in Appendix 1 to this report.

#### THE FINAL CALCULATION

- 3.6 2013/14 saw the introduction of the Local Council Tax Scheme (LCTS) that required those of working age that were in receipt of Council Tax Benefit to now have to pay a minimum of 25% of the annual charge. As this applies to

the more vulnerable sections of the community, it is not surprising to see lower rates of collection from this group. On non LCTS bills, the Council is collecting circa 99%. Adjusting for LCTS, it is prudent to set an overall collection rate of 98.5% and so account for 1.5% non collection. After this and other adjustments have been made, the final tax base would look as follows:-

<u>BAND</u>	<u>TAX BASE</u>
A*	5
A	2,596
B	6,954
C	18,376
D	9,704
E	4,813
F	2,739
G	1,205
H	<u>52</u>
	<b><u>46,444</u></b>

A\* is Band A properties entitled to Disabled Relief reduction.

#### **4. REASONS FOR RECOMMENDATION:**

- 4.1 There is a legal requirement to set the Council Tax base by 31 January each year.

#### **5. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 5.1 The report has been considered by Cabinet.

#### **6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 6.1 The only impact is that this is a key component in the calculation of the Council Tax.

#### **7. IMPLICATIONS**

##### **7.1 Financial**

Implications verified by: **Sean Clark**  
 Telephone and email: **01375 652010**  
**sclark@thurrock.gov.uk**

A council tax base of 46,444 is an increase over the 2013/14 council tax base of 905 that, at the level of the 2013/14 council tax, would raise an additional £1m. This increase has already been factored into the MTFs.

## 7.2 **Legal**

Implications verified by: **David Lawson**  
Telephone and email: **01375 652087**  
**dlawson@thurrock.gov.uk**

The Council Tax base must be calculated in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2003 and Section 33 of the Local Government Finance Act 1992.

## 7.3 **Diversity and Equality**

Implications verified by: **Samson De Alyn**  
Telephone and email: **01375 652472**  
**sdealyn@thurrock.gov.uk**

There are no direct diversity implications noted in this report.

## 7.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

There are no other implications arising from this report.

### **BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):**

- There are various working papers within the Revenues Section.

### **APPENDICES TO THIS REPORT:**

- Appendix 1 – Detailed Calculation of the 2013/14 Council Tax Base

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## COUNCIL TAX BASE Year 2014/15

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Band	Total Properties	No. of Discounts	Exempt Properties	Net Disabled Relief	LCTS	LT Premiums	Changes in Year			Sub Total	Total Band "D" Equiv	Adj for collection rate	Tax Base (Rounded)
		(-)	(-)	(+) or (-)	(-)	(+)	Estimated Discounts	New Properties	Demolitions			1.50%	
A *	0	1	0	11	0		0	0	0	10	6	0	5.47
A	7,321	1,169	133	12	2,116	10	0	28	0	3,953	2,635	40	2,595.86
B	13,035	1,533	168	86	2,407	14	0	50	0	9,077	7,060	106	6,954.12
C	26,206	2,005	269	-37	3,025	17	0	101	0	20,988	18,656	280	18,375.89
D	11,237	700	95	-41	598	5	0	43	0	9,851	9,851	148	9,703.71
E	4,362	211	30	-10	131	1	0	17	0	3,998	4,886	73	4,812.77
F	2,043	64	10	-11	42	1	0	8	0	1,925	2,781	42	2,739.05
G	774	29	2	1	15	2	0	3	0	734	1,223	18	1,204.90
H	41	3	0	-11	1	0	0	0	0	26	53	1	52.02
<b>TOTALS</b>	<b>65,019</b>	<b>5,714</b>	<b>707</b>	<b>0</b>	<b>8,334</b>	<b>49</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>50,563</b>	<b>47,151</b>	<b>707</b>	<b>46,443.80</b>

Note A\* is band A properties entitled to disabled relief reduction.

### Column Key

- 1 Property Bandings
- 2 Total Number of Properties as per VO list
- 3 Ratio of properties receiving discounts relating to Single Persons and 1st disregard at 25% and Second Disregards at 50%, Class A at 50% and Class C at 100%
- 4 Number of Exempt properties by band inc. exemption classes B,D,E,F,G,H,I,J,L,N,R,S,T,V,W
- 5 Banding adjustments for Disabled relief