

28 January 2015		ITEM: 11
Council		
Council Tax Base 2015/16		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor John Kent, Leader		
Accountable Head of Service: Sean Clark, Head of Corporate Finance		
Accountable Director: Graham Farrant, Chief Executive		
This report is Public		

Executive Summary

This report sets out the number of properties within Thurrock and classifies them into Band D equivalents for budget setting purposes. A contributing factor to this calculation are the various discounts that can be awarded to properties and this report recommends a change to the discount for empty unfurnished properties.

1. Recommendation(s)

- 1.1 That the discount for empty unfurnished properties be reduced to 100% for one month; and**
- 1.2 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 2015/16 shall be 47,889.**

2. Introduction and Background

- 2.1 This report is one of the components required for the setting of the 2015/16 budget and Council Tax. It does not fix the Council Tax rate. This will be decided as part of the 2015/16 Budget reports, which will be considered in February 2015.

The Council's Constitution does not delegate these determinations to Cabinet or any officer and so requires a decision from Council.

3. Issues, Options and Analysis of Options

- 3.1 The Council has discretion over discounts for domestic properties. Historically, for Empty Unfurnished Properties, the Council has granted a 100% discount for a period of three months.
- 3.2 A saving proposal that has been considered over recent months as part of the Shaping the Council programme, has been whether to reduce this discount. Options included the period and level of discount.
- 3.3 The original proposal was to remove any discount completely and this was considered by the Corporate Overview and Scrutiny Committee as part of the consultation process. The Committee agreed with the principle but recommended that instead of being removed completely, the discount should remain at 100% but only for a period of one month. This was subsequently considered and accepted by Cabinet.
- 3.4 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.

4. Reasons for Recommendation

The Tax Base Calculation

- 4.1 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.
- 4.2 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:

BAND	<u>NUMBER OF PROPERTIES</u>
A	7,343
B	13,101
C	26,269
D	11,339
E	4,399
F	2,053

G	778
H	41
Total	65,323

- 4.3 From this it can be seen that 71.5% of Thurrock properties are in Bands A-C.
- 4.4 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).
- 4.5 As required, the full calculation of the tax base is set out in Appendix 1 to this report.

The Final Calculation

- 4.6 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 98.75% and so account for 1.25% non collection. After this and other adjustments have been made, the final tax base would look as follows:

BAND	<u>NUMBER OF PROPERTIES</u>
A*	5
A	2,794
B	7,292
C	18,937
D	9,920
E	4,898
F	2,770
G	1,223
H	51
Total	47,889

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

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 There has been no consultation on this report.

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**
Head of Corporate Finance

A council tax base of 47,889 is an increase over the 2014/15 council tax base of 1,445 that, at the level of the 2014/15 council tax, would raise an additional £1.66m. This increase has already been factored into the MTFS.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal & Deputy Monitoring Officer

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: **David Lawson**
Deputy Head of Legal & Deputy Monitoring Officer

There are no direct diversity implications noted in this report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no other implications arising from this report.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- There are various working papers within the Revenues Section.

9. Appendices to the report

- Appendix 1 – detailed calculation of the 2015/16 Council Tax Base

Report Author:

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Corporate Finance