

27 January 2016

Ordinary Council

Council Tax Base 2016/17

Report of: *Chris Leslie, Finance Director*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 The Council Tax Base is used in the calculation of the Council Tax for 2016/17. The Council Tax Base is expressed as the average number of Band D properties in the Borough, even though each property will actually fall into a Band ranging from A to H.
- 1.2 The estimated Council Tax Base for 2016/17 is 31,790.
- 1.3 The Council Tax Base for Parish Councils will be lower due to the adjustment for Local Council Tax Support. In line with past years, the Council will provide a grant in order to ensure that the Council Tax Base for 2016/17 is unaffected.

2. Recommendation(s)

- 2.1 **To agree that in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Brentwood Borough Council as its Council Tax Base for the year 2016/17 is 31,790.**
- 2.2 **To agree to make a grant to Parishes for 2016/17 totaling £20,432.31 to compensate them for the effect on their precept income of the Local Council Tax Support Scheme.**
- 2.3 **To agree that as this is a technical calculation, the setting of the Council Tax Base and Parish Local Council Tax Support Grants be delegated to the Section 151 Officer for future years.**

3. Introduction and Background

- 3.1 The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require that the Council Tax Base is notified to the Precepting Authorities.
- 3.2 Regulations made under the powers of the Local Government Finance Act 1992, require Local Authorities to take into account Council Tax discounts (arising from the introduction of the Local Council Tax Support Scheme) when calculating the Council Tax Base.

4 Council Tax Base Setting Methodology

- 4.1 The starting point for the calculation is the total number of dwellings on the Valuation List as at the September 2016. The following factors are then estimated:
- Number of properties receiving disabled relief;
 - Number of exempt properties;
 - Number of properties receiving Single Occupier Discount (25%);
 - Number of properties receiving other discounts (25%);
 - Number of properties receiving other discounts (50%).
- 4.2 Once each of the factors has been estimated, calculations are made for each Council Tax Band and for each Parished/Unparished area of the Borough. It is then necessary to estimate the likely collection rate for the year.
- 4.3 Accordingly the amount calculated by Brentwood Borough Council as its Council Tax Base (band D equivalent) for the year 2016/17 is 31,790 with a collection rate of 99%.
- 4.4 A full schedule of the Council Tax Base calculations is attached at Appendix A.

5 Local Council Tax Support Scheme

- 5.1 From April 2013 those Council Taxpayers that previously received Council Tax Benefit receive a reduction in their Council Tax Bill through the Local Council Tax Support Scheme. The Regulations do not set out a prescribed calculation, and as such it is left to individual local authorities to estimate the impact on their Council Tax Base of the scheme adopted. For 2016/17 no changes to the existing scheme are proposed.

- 5.2 The Council Tax Bases for Parish Councils will be lower as a consequence of this change. The Council's approach has been to make grants to Parishes which, assuming no increase in their precept fully compensates them for the effects of the Local Council Tax Support Scheme. It is recommended that this approach is repeated in 2016/17.
- 5.3 A summary of the calculations and adjustments is attached at Appendix A to this report and this information will be provided to all Local (Parishes) and Major Preceptors in order that they can each calculate their precept levels for 2016/17.

6 Reasons for Recommendation

- 6.1 The calculation of the Council Tax Base is an essential part of the budget setting process and is required to set a balanced budget in accordance with the Local Government Finance Act 1992.

7 References to Corporate Plan

- 7.1 Good financial management underpins all priorities within the Corporate Plan. The setting of the Council Tax Base is an essential part of the budget setting process.

8 Implications

Financial Implications

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- 8.1 The estimated 2016/17 Council Tax Base of 31,790 is an increase of 634.4 from 2015/16 (31,155.6). At the current band D charge of £168.14 for the Council this would provide additional income of £105k.
- 8.2 Council Tax income is affected by the collection rate, number of properties, discounts awarded and the actual income achieved could be higher or lower than estimated.
- 8.3 Due to an increase in the collection rate the grant paid to the Parishes in 2016/17 has increased to £20,432 from £18,944 in 2015/16. This is also reflected in the additional income received by the Council. Should demand for support decrease in future years the grant would also decrease under the existing arrangements.

Legal Implications

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8.4 The Council is required under section 31B of the Local Government Finance Act 1992 to calculate each financial year the basic amount of its Council Tax. The basic amount of Council Tax must be calculated according to a prescribed formula that uses: (1) the Council Tax requirement and (2) the amount which is calculated by the Council as its Council Tax Base. The Council Tax Base is in turn calculated by reference to a formula prescribed in the Local Authorities (Calculated of Council Tax Base) (England) Regulations 2012.

8.5 If any Member is more than two months in arrears with payments of their Council Tax, such a Member cannot take part in the item of business by virtue of section 106 of the Local Government Finance Act 1992.

9 Background Papers (include their location and identify whether any are exempt or protected by copyright)

9.1 None

10 Appendices to this report

- Appendix A – Council Tax Base Setting

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