
Meeting: EXECUTIVE

Agenda Item:

4

Portfolio Area: Resources

Date: 24 JANUARY 2017

COUNCIL TAX BASE 2017/18

KEY DECISION

Author – Su Tarran Ext EHC 2075
Contributors- Clare Fletcher Ext 2933
Tim Greenwood Ext 2943
Lead Officer – Scott Crudgington: Ext 2185
Contact Officer – Su Tarran Ext EHC 2075

1. **PURPOSE**

1.1 To seek members approval of the Council Tax Base for 2017/18.

2. **RECOMMENDATIONS**

2.1 That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2017/18 shall be 27,239.9 equivalent “Band D” properties reduced to 26,695.1 equivalent “Band D” properties after making allowances for a 98.00% collection rate.

2.2 That the 2017/18 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2017/18. At its meeting on 14 December the Executive approved the CTS scheme for recommendation to Council.

3. **BACKGROUND**

3.1 Under the provisions of the Local Government Finance Act 1992 as amended by the 2012 Act, and the accompanying secondary legislation, local authorities are required to notify preceptors and levying bodies of their Council Tax Base for the

forthcoming financial year. The notification must be made between the 1 December and the 31 January

- 3.2 The Council has a statutory duty to make a resolution in respect of the Council Tax Base before the precepting and levying bodies are notified.
- 3.3 Following a review of Council Tax discounts it was agreed by the Executive Committee on 12 July 2016 that from 1 April 2017 the empty homes discount would be removed and that a new premium (50%) would be introduced for properties that have been empty for over 2 years. This change to discounts has been included in the tax base calculation.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The actual number of domestic dwellings in the borough, as shown in the Valuation Officers list on 12 September 2016, was 36,740, compared to 36,362 as at 14 September 2015, an increase of 378 properties. One of the reasons for the increase in the number of properties will be partly due to the continued conversion of office buildings in the town centre to residential units.
- 4.2 For each of the Council Tax bands, the tax base figure is then adjusted to take account of actual and estimated newly constructed dwellings, exemptions, disabled reductions, discounts, (including the Council Tax Reduction Scheme discounts) and the new premium for long term empty homes to arrive at the net number of chargeable dwellings for each band.
- 4.3 This net figure is then multiplied by the relevant proportions for the particular band (e.g. Band A is 6/9 in relation to Band D) in order to convert it to the estimated number of equivalent B and D properties for each band.
- 4.4 The relevant proportion for each band is:

Band	Charge ratio	Valuation (at 1/1/91 prices)
A	6/9	Up to £40,000
B	7/9	Over £40,000 and up to £52,000
C	8/9	Over £52,000 and up to £68,000

D	9/9	Over £68,000 and up to £88,000
E	11/9	Over £88,000 and up to £120,000
F	13/9	Over £120,000 and up to £160,000
G	15/9	Over £160,000 and up to £320,000
H	18/9	Over £320,000

- 4.5 These Band D equivalents are aggregated to give the total number of the equivalent Band D dwellings for the authority as a whole. For Stevenage this is 27,239.9, which is less than the actual number of dwellings. This is because the majority of dwellings in Stevenage are in Band C.
- 4.6 The Council Tax Base for 2017/18 after making allowances for a collection rate of 98.00% is 26,695.1 equivalent Band D properties. (The comparative figure for 2016/17 was 25,888.5 (at 97.75%))
- 4.7 The proposed 2017/18 collection rate percentage has increased slightly from 97.75% (2016/17) to 98.00% as Council Tax Support costs account for a smaller proportion of the overall liability.
- 4.8 The Council Tax Base proposed is based on the Council Tax Support Scheme liability of 8.5%, the latter was approved at the December 2016 Executive for recommendation to the January 2017 Special Council meeting.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 The increase in the taxbase has been included in the draft 2017/18 Council Tax Setting and General Fund Report. The increase in assumed property numbers from the 2016/17 taxbase (378) and the changes to discount assumptions including Council Tax Support is the equivalent to a total additional 806.6 equivalent Band D properties or £156,099 before any council tax increase is considered. A summary of the reasons for the increased council tax income is shown in the table below.

Increased income from 2017/18 taxbase compared to 2016/17 before any council tax increase (budget assumes 1.99%)			
	2016/17 Estimate £	2017/18 Estimate £	Increase /(decrease) in council tax income £
Gross Council tax before discounts	6,456,070	6,560,581	104,511
Council Tax Support Scheme	(790,330)	(747,867)	42,463
Changes to other discounts	(540,479)	(541,243)	(764)
Reduction in income for the provision of bad debt	(115,318)	(105,429)	9,889
Total	5,009,943	5,166,042	156,099

5.1.2 The Financial Security report to the November Executive included an update on the General Fund Medium Term Financial Strategy (MTFS) which assumed a tax base of 26,777 a difference of 82 band D equivalent properties or £16,114 lower when modelled on a 1.99% council tax increase, (£15,794 on a 0% council tax).

5.1.3 There will also be a transfer from the Collection Fund to the General Fund relating to prior year surpluses which is currently estimated at £139,102 for Stevenage and will be finalised in January 2017. This projection is £7,102 higher than included in the MTFS, (Financial Security report November Executive).

5.2 Legal Implications

5.2.1 The legal implications are in the body of the report.

5.3 Risk Implications

5.3.1 The assumptions made are reasonable at the current time but, if the level of anticipated growth in the 2017/18 Tax Base is not realised and/or the council tax support caseload increases more than estimated, there could be an in year deficit on the Collection Fund.

5.4 **Policy Implications**

5.4.1 None

5.5 **Equalities and Diversity Implications**

5.5.1 There are no direct equality and diversity implications arising from the recommendations in this report.

5.6 **Other Implications.**

5.6.1 There are no other direct implications to report at this time.

BACKGROUND DOCUMENTS

BD1 - Council Tax Support Scheme (December 2016 Executive)

<http://www.stevenage.gov.uk/content/committees/160923/160931/160995/20161214-Item5.pdf>

APPENDICES

Appendix A - 2017/18 Council Tax Base

Appendix A										
BAND	Disabled	A	B	C	D	E	F	G	H	TOTALS
AS AT CTB1	0	1560	6225	21208	3256	3162	894	420	15	36740
ADD EXPECTED NEW PROPERTIES	0	16.25	234.18	90.36	18.28	24.41	6.01	0	1	390.49
EXEMPTIONS	0	-36	-109	-138	-14	-13	-7	-2	-5	-324
DISABLED RELIEF	0	0	-10	-83	-16	-24	-7	-7	-2	-149
DISABLED RELIEF ADJ		10	83	16	24	7	7	2	0	149
DWELLINGS SUB-TOTAL	0	1550.25	6423.18	21093.36	3268.28	3156.41	893.01	413	9	36806.49
ASSUMED DISCOUNTS										
25% (SINGLE PERSON DISCOUNT)	0	1126.61	3917.76	6369.02	779.83	527.71	108.73	51	0	12880.66
50% (EMPTY WORK-RELATED AND ALL PERSONS DISREGARDED)	0	2	6	12	3	3	6	7	5	44
10% Empty uninhabitable & Empty unfurnished										0
Council Tax Support (Reduction Scheme)	0.00	381.19	1440.52	2423.66	238.82	59.08	13.60	2.99	0.00	4559.86
total discounts	0.00	1509.80	5364.28	8804.68	1021.65	589.79	128.33	60.99	5.00	17484.52
TOTAL DWELLINGS charged at 100%	0.00	40.45	1058.90	12288.68	2246.63	2566.62	764.68	352.01	4.00	19321.97
Long term empty premium @ 50%	0.00	6.00	6.00	6.00	2.00	2.00	1.00	2.00	0.00	25.00
Value of discounted properties		845.96	2941.32	4782.77	586.37	397.28	84.55	41.75	2.50	9682.50
DWELLINGS AFTER DISCOUNTS	0.00	889.41	4003.22	17074.44	2834.00	2964.91	849.73	394.76	6.50	29016.97
RATIO TO BAND D	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
NO OF BAND D EQUIVALENT	0.00	592.94	3113.62	15177.28	2834.00	3623.78	1227.38	657.93	13.00	27239.93
								TAXBASE		27239.9
								98.00%		26695.1