

Meeting: EXECUTIVE
Portfolio Area: Resources
Date: 23 January 2019

COUNCIL TAX BASE 2019/20

KEY DECISION

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

1. PURPOSE

1.1 To seek Members approval of the Council Tax Base for 2019/20.

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 2019/20 shall be 27,816.7 equivalent “Band D” properties reduced to 27,329.9 equivalent “Band D” properties after making allowances for a 98.25% collection rate.
- 2.2 That the 2019/20 Council Tax Base is approved including the Council Tax Support Scheme (CTS) for 2019/20 recommended in the Draft General Fund and Council Tax Setting 2019/2020 report to this committee.

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.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Taxbase

4.1.1 The actual number of domestic dwellings in the borough, as shown in the Valuation Officers list on 10 September 2018, was 37,272, compared to 37,204 as at 11 September 2017, an increase of 68 properties

4.1.2 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 and discounts, (including the Council Tax Reduction Scheme discounts) to arrive at the net number of chargeable dwellings for each band.

4.1.3 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 "Band D" properties for each band.

4.1.4 The relevant proportion for each band are:

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

4.1.5 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 27,816.7, which is less than the actual number of dwellings. This is because the majority of dwellings in Stevenage are in Band C.

4.1.6 The Council Tax Base for 2019/20 after making allowances for a collection rate of 98.25% is 27,329.9 equivalent "Band D" properties. (The comparative figure for 2018/19 was 27,058.5 (at 98%))

4.1.7 The proposed 2019/20 collection rate percentage is increased slightly to 98.25% from 98% in 2018/19, to reflect an increase in long term collection rates.

4.1.8 The Council Tax Base proposed is based on the current Council tax Support Scheme liability of 8.5%, as recommended in the Draft General Fund and Council Tax Setting 2019/2020.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 The increase in the taxbase has been included in the draft General Fund and Council Tax Setting 2019/20 report. The increase in assumed property numbers and the discount assumptions including Council Tax Support is the equivalent to a total additional 271.37 equivalent Band D properties or £55,485 before any council tax increase is considered. The reason for the increased council tax income is shown in the table below.

Increased income from 2019/20 taxbase compared to 2018/19 before any council tax increase			
	2018/19 Estimate £	2019/20 Estimate £	Increase /(decrease) £
Changes in Properties numbers	6,968,356	6,997,000	28,643
Council Tax Support Scheme	(757,457)	(735,247)	22,210
Changes to other discounts & Premium	(565,613)	(574,356)	(8,743)
Change in bad debt 1.75% (2% in 2018/19)	(112,905)	(99,529)	13,376
Total	£ 5,532,381	£5,587,867	£55,485

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 2019/20 Tax Base is not realised and/or the council tax support caseload increases, there could be an in year deficit on the Collection Fund, which would be repaid to the collection fund in the following financial year.

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

APPENDICES

Appendix A - 2019/20 Council Tax Base

