

Ward: All

Portfolio: Finance

FROM: Councillor John Parham **Date: 17 December 2018**

SUBJECT: Council Tax Base 2019/20

Report Sign off	Seen by:	Name	Date
	Legal	Donna Nolan	N/A
	Finance	Duncan Moss	14/12/2018
	Chief Executive Officer	Stuart Brown	N/A
	Group Manager	Paul Deal	14/12/2018
Summary:	The passing of a formal resolution is required to set the Council Tax Base for the forthcoming financial year.		
Recommendation:	<p>Council is recommended to approve:</p> <ul style="list-style-type: none"> • That the provision for losses on collection is set at 2.0%. • The resolution which needs to be passed to deal with the Tax Base is as follows: <ul style="list-style-type: none"> • That the report for the calculation of the Council's Tax Base for the year 2019/20 be approved. • That pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended, the amount calculated by the Council as its Council Tax Base for the year 2019/20 shall be 40,496.05. <p>This figure includes the adjustments made as a result of the Council tax support scheme. Details are also shown on Appendix 1 to this report.</p>		
Direct and/or indirect impact on service delivery to our customers and communities:	Links to service delivery by maximising Council Tax income thereby supporting the Council's budget.		
Impact on Service Plans:	Links to Service Plans by maximising Council Tax income thereby supporting the Council's budget.		

Financial Implications:	In order to set the Council Tax for 2019/20 the Council need to approve the Council Tax Base. Once set this will feed into the budget setting and Council Tax billing processes.
Legal Implications:	It is a legal requirement that the Council formally approves the Tax Base in accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended.
Crime and Disorder Implications:	None Identified.
Equalities Implications:	None Identified.
Risk Assessment and Adverse Impact on Corporate Actions:	No adverse impact on Corporate Actions.
Scrutiny Recommendation (if any)	This report has not been submitted to Scrutiny.

1 INTRODUCTION

- 1.1 The purpose of this report is to provide members with the information necessary so that a formal resolution can be passed to set the Council Tax Base for the forthcoming year.
- 1.2 The Council Tax Base is the measure of the taxable capacity for individual Parishes and the District as a whole, and it is calculated in accordance with Regulation by reference to factors such as the number of chargeable dwellings and the estimated collection rate. In accordance with regulations, the Tax Base has to be calculated using figures from the Council's records on 30 November.

2. EXPLANATION OF THE COUNCIL TAX BASE

- 2.1 The Council Tax Base for the District as a whole, or for individual parishes, for the forthcoming financial year is the estimated number of chargeable dwellings in that particular area, expressed as the equivalent number of Band D dwellings, net of an allowance for projected losses on collection.
- 2.2 The Council Tax Base for 2019/20 is calculated using the information shown on the Council records as at 30 November 2018, and the figure is used by the billing authority to calculate its basic amount of Council Tax to be charged to taxpayers for the forthcoming financial year. Precepting bodies (i.e. County Council, Fire Authority, Avon & Somerset Police, and parishes) also use the Tax Base figures to calculate their tax charges for the coming year.
- 2.3 The calculation of the Tax Base for each area is quite complex. Below are examples of some of the factors included in the calculation:

- Properties which are exempt from Council Tax are excluded;
- A property in Band D with only one adult resident (25% discount) counts as 0.75 of a Band D property;
- A property in Band H with two adult residents counts as two Band D equivalents (because a Band H property is charged twice as much as a Band D property);
- A property in Band A counts as a 2/3 Band D property;
- A 100% premium is applied to empty homes.

Once all the Band D equivalents have been calculated, an estimate of any fluctuations to this total over the year in question is made (in Mendip's calculations the forecast is that the net change will be zero) and then an allowance for projected losses on collection (2.0%) is deducted to give the Tax Base figure for tax setting purposes.

2.6 **Appendix 1** sets out the calculation for the District as a whole.

2.7 **Appendix 2** shows the Tax Base for each Parish – the detailed calculation for each parish will be circulated to the clerks following the resolution.

3. RECOMMENDATION

4.1 **Council is recommended to approve:**

- **That the provision for losses on collection is set at 2.0%.**
- **The resolution which needs to be passed to deal with the Tax Base is as follows:**
 - That the report for the calculation of the Council's Tax Base for the year 2019/20 be approved.
 - That pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended, the amount calculated by the Council as its Council Tax Base for the year 2019/20 shall be **40,496.05**.

This figure includes the adjustments made as a result of the Council tax support scheme. Details are also shown on Appendix 1 to this report.

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List of background Papers:

Appendix 1 – Calculation for the District
Appendix 2 – List of Parish Tax Bases