
COUNCIL TAX CALCULATION OF TAX BASE 2015/16

**Responsible Cabinet Member – Councillor Stephen Harker
Efficiency and Resources Portfolio**

**Responsible Director – Paul Wildsmith,
Director of Neighbourhood Services and Resources**

SUMMARY REPORT

Purpose of the Report

1. To determine the Council's tax base for 2015/16.

Summary

2. In accordance with Section 33 of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the Council has to decide its tax base by 31 January in the year preceding that for which the tax base applies. This has then to be notified to any precepting authorities and is used in the calculation and setting of the Council Tax. The relevant tax base calculations are shown in **Appendices 1 and 2**.

Recommendation

3. It is recommended that:-
 - (a) The report for the calculation of the Council's tax base for the year 2015/16 be approved.
 - (b) The tax base for the Council and the individual tax base for the parishes as set out at Appendix 1 be approved.

Reasons

4. The recommendations are supported to comply with statutory requirements, enabling the Council Tax for 2015/16 to be set by Council in February 2015.

**Paul Wildsmith
Director of Neighbourhood Services and Resources**

Background Papers

- (i) Council Tax regulations
- (ii) Council Tax database

Peter Carrick - Extension 2326

| | |
|----------------------------------|--|
| S17 Crime and Disorder | This report has no implications for crime and disorder |
| Health and Well Being | There are no health and well being issues |
| Carbon Impact | There are no carbon impact implications |
| Diversity | There are no diversity issues |
| Wards Affected | The proposals affect all wards |
| Groups Affected | The proposals affect everyone liable for Council Tax |
| Budget and Policy Framework | The report does not represent a change to the Budget or Policy framework |
| Key Decision | This is not an executive decision |
| Urgent Decision | This is not an executive decision. |
| One Darlington: Perfectly Placed | This report has no implications for the Sustainable Community Strategy |
| Efficiency | The reports does not have any efficiency implications |

MAIN REPORT

Information and Analysis

5. The tax base is the total number of domestic properties in the Borough, calculated as a weighted average 'band D equivalents'. The amount of Council Tax payable for properties in each of the 8 valuation bands A to H is statutorily determined as proportions of band D. The tax base is adjusted for discounts, exemptions and estimated changes over the coming year. An estimate of the collection rate is also applied. The tax base represents the amount of revenue that it is estimated will be raised by each £1 of band D Council Tax. It is, therefore, an important part of setting the Council Tax.
6. The council tax base is, for the purpose of calculating a billing authority's and a major precepting authority's council tax, the taxable capacity of an area or part of an area. The amounts are calculated for each financial year and represent the estimated number of chargeable dwellings after allowing for reductions and discounts and adjusted to take account of the authority's collection rate.
7. The regulations changed the formula for calculating the council tax base so as to take account of any reductions which will be made under the local council tax reduction scheme or increases for local premiums for empty or long-term empty dwellings.

8. Under the previous council tax benefit system, billing authorities received payment to cover 100% of the cost of council tax benefit paid. The council tax base was therefore unaffected by changes in council tax benefit granted because the billing authority did not forgo any council tax income from dwellings in receipt of council tax benefit.
9. However, under the new local council tax support scheme, the council tax base is affected by whether a dwelling is in receipt of a council tax reduction awarded under the scheme, as the authority is foregoing council tax income from these dwellings.
10. Local council tax support reductions need to be reflected in the calculation of the council tax base, in order to calculate the correct amount of Band D council tax for the billing or major precepting authority area. If the council tax base did not reduce, authorities would set their council tax bills based on an incorrect level of taxable capacity. The outcome being that dwellings where an occupier was eligible to receive a reduction under the local authority's council tax reduction scheme would not be required to pay the full amount of council tax and the authority would not therefore be able to collect the correct amount of council tax to meet its council tax requirement, with a deficit being created on the collection fund.
11. Similarly the tax base is increased by the premium generated through the empty and long term empty homes scheme whereby the consequent increase in the council tax base is used to lower council tax bills.
12. The actual calculation of the tax base is prescribed in the above regulations and has several components. Calculations must be made of the 'relevant amount' for the year, for each of the 8 valuation bands as shown in the Council's Valuation List submitted by the Listing Officer (HM Revenue and Customs) on 30 November 2014 and the band A(-) category introduced with effect from 1 April 2000 to provide relief to disabled persons residing in band A properties. The relevant amount for each band represents the number of chargeable dwellings, as adjusted for exemptions, disabled reductions, discounts and also estimated changes up to 31 March 2016. The final total for each band has to be converted to the equivalent number of band D dwellings.
13. The relevant amounts for the individual bands are then totalled and the estimated collection rate for the year is applied. The collection rate is based on the proportion of the amount payable into the Collection Fund for the year, including appropriate adjustments for benefits and any transitional relief, which the Council believes will ultimately be collected. The resulting figure, plus any contributions in lieu from the Ministry of Defence in respect of forces accommodation, is the Council's tax base for its area for the year concerned.
14. After nearly 2 years of operating the council tax reduction scheme the collection rate has been reviewed and in light of a better than predicted payment profile the collection rate has been increased to 98.5%.
15. The estimates and calculations outlined above in respect of the tax base for 2015/16 are shown in **Appendix 1**. Members will see that the calculations produce

a total Band D equivalent of 31,472.0 (line 16) which, when combined with an estimated collection rate of 98.5% and contributions in lieu, results in an overall tax base figure of 31,101.0 which is a 2.6% increase on 14/15.

16. Similar calculations also need to be made in respect of the parishes and in particular the same estimated collection rate must be applied as that used for the whole of the Council's area. The tax base calculations for each parish are as shown in **Appendix 2**.

Outcome of Consultation

17. This is a technical report, which follows a prescribed format. There has been no consultation in compiling this report.

DARLINGTON BOROUGH COUNCIL - ESTIMATED TAX BASE 2015/16

| | | Band A (-) | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H | TOTAL |
|----|--|---------------|-----------------|----------------|----------------|----------------|----------------|----------------|--------------|-------------|-----------------|
| 1 | Dwellings per Valuation List | | 22,631 | 9,936 | 6,973 | 5,070 | 2,885 | 1,141 | 531 | 51 | 49,218 |
| 2 | Disabled Band Relief | | (54) | (40) | (32) | (35) | (25) | (11) | (8) | (21) | (226) |
| 3 | Disabled Band Relief (Chargeable) | 54 | 40 | 32 | 35 | 25 | 11 | 8 | 21 | | 226 |
| 4 | Disabled Band Relief (Adjusted) | 54 | (14) | (8) | 3 | (10) | (14) | (3) | 13 | (21) | 0 |
| 5 | Exemptions | (1) | (296) | (105) | (143) | (76) | (12) | (12) | (5) | (0) | (650) |
| 6 | Single discount (25%) | (19) | (10,733) | (3,285) | (2,013) | (1,123) | (503) | (153) | (82) | (3) | (17,914) |
| 7 | Double discount (50%) | (1) | (26) | (13) | (10) | (12) | (10) | (5) | (28) | (4) | (109) |
| 8 | Equated discounts | (5.25) | (2,696.25) | (827.75) | (508.25) | (286.75) | (130.75) | (40.75) | (34.50) | (2.75) | (4,533.0) |
| 9 | Empty Homes Premium (50%) | | 97 | 36 | 15 | 10 | 8 | 1 | 2 | 0 | 169 |
| 10 | PCLC1M discount | | (137.9) | (32.5) | (21.8) | (7.6) | (4.5) | (1.8) | (0.9) | 0 | (207) |
| 11 | Chargeable Dwellings | 47.7 | 19,535.3 | 8,980.8 | 6,310.4 | 4,694.7 | 2,727.7 | 1,084.0 | 504.7 | 27.2 | 43,912.5 |
| 12 | Council Tax Reduction Scheme (CTRS) | (9.4) | (5,400.0) | (1,006.5) | (365.5) | (149.6) | (52.0) | (15.5) | (1.5) | (0) | (7,000.0) |
| 13 | Chargeable Dwellings after CTRS | 38.3 | 14,135.3 | 7,974.3 | 5,944.9 | 4,545.1 | 2,675.7 | 1,068.5 | 503.2 | 27.2 | 36,912.5 |
| 14 | Estimated Changes | | | | | 288.8 | | | | | 288.8 |
| 15 | Band D Multiplier | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 16 | Band D Equivalent (Relevant Amount) | 21.3 | 9,423.5 | 6,202.2 | 5,284.4 | 4,833.9 | 3,270.3 | 1,543.4 | 838.6 | 54.4 | 31,472.0 |
| 17 | Estimated Collection Rate | | | | | | | | | | 98.5% |
| 18 | Contributions in Lieu | | | | | 101.1 | | | | | 101.1 |
| 19 | Council Tax Base | | | | | | | | | | 31,101.0 |

ESTIMATED TAX BASE 2015/16 – EXPLANATION OF TERMS

| | |
|--------------|---|
| | Each column shows the totals for each Council Tax band A to H. The TOTAL column is the total for the whole Council. The Band A(-) column is the total in Band A where a disabled band relief applies. |
| Lines | |
| Line 1 | The number of dwellings in each Council Tax band as per the Valuation List, as at 30/11/14. |
| Line 2 | The number of dwellings in each band where a disabled band relief applies |
| Line 3 | The number of dwellings in each band after the disabled band relief has been applied |
| Line 4 | The net number of dwellings in each band after the disabled band relief has been applied (Line 3 - Line 2) |
| Line 5 | The number of dwellings in each band that are exempt from Council Tax (where an exemption applies), to be deducted from the total number of dwellings |
| Line 6 | The number of dwellings in each band where a single (25%) discount applies |
| Line 7 | The number of dwellings in each band where a double (50%) discount applies |
| Line 8 | The adjustment for each band where a discount applies (Line 6 x 25%) + (Line 7 x 50%) |
| Line 9 | The number of properties that have been unoccupied or unfurnished for a period in excess of two years and which attract a 50% Premium. |
| Line 10 | The equivalent number of unoccupied and unfurnished properties where a 100% discount applies for a maximum of 1 month |
| Line 11 | The equivalent number of chargeable dwellings before the application of the Council Tax Reduction Scheme |
| Line 12 | The equivalent number of properties in receipt of council tax benefit (working age only) in each band |
| Line 13 | The equivalent number of properties after the application of the Council Tax Reduction Scheme |
| Line 14 | The estimated number of band D equivalent dwellings that will be included in the tax base during 2015/16 |
| Line 15 | The band D multiplier that is applied to the number of chargeable dwellings in each band (this multiplier is prescribed in law) |
| Line 16 | The adjusted number of chargeable dwellings in each band after applying the multiplier (Line 13 + Line 14) x Line 15 |
| Line 17 | The estimated percentage collection rate |
| Line 18 | The estimated number of band D equivalent dwellings for contributions in lieu. (Armed Forces Accommodation) |
| Line 19 | The Council Tax Base for 2015/16 (Line 16 x Line 17) + Line 18 |

PARISH COUNCILS – ESTIMATED TAX BASE 2015/16

| Parish | Current Parish Tax Base (1) | Adjusted Band D Equivalent 15/16 (2) | Collection Rate | Parish Tax Base |
|-------------------------------|-----------------------------|--------------------------------------|-----------------|-----------------|
| Archdeacon Newton | 368.71 | 357.33 | 98.5% | 351.97 |
| Bishopston | 138.13 | 168.07 | 98.5% | 165.55 |
| Heighington | 892.08 | 899.28 | 98.5% | 885.79 |
| High Coniscliffe | 99.29 | 106.98 | 98.5% | 105.37 |
| Hurworth | 1,301.67 | 1,301.09 | 98.5% | 1,281.57 |
| Low Coniscliffe and Merrybent | 237.46 | 286.03 | 98.5% | 281.74 |
| Low Dinsdale | 299.15 | 284.47 | 98.5% | 280.20 |
| Middleton St. George | 1,382.48 | 1,424.56 | 98.5% | 1,403.19 |
| Neasham | 151.45 | 168.4 | 98.5% | 165.88 |
| Piercebridge | 53.77 | 60.60 | 98.5% | 59.70 |
| Sadberge | 282.43 | 288.12 | 98.5% | 283.80 |
| Whessoe | 550.43 | 549.41 | 98.5% | 541.17 |

PARISH COUNCILS ESTIMATED TAX BASE 2015/16 – EXPLANATION OF TERMS

| Columns | |
|-------------------------------|--|
| Current Parish Tax Base (1) | The calculated Council Tax base for each Parish, using the methodology set out in Appendix 1, and after the estimated changes for 2015/16 have been applied |
| Present Band D Equivalent (2) | The calculated Council Tax base for each Parish, using the same methodology set out in Appendix 1, and after the estimated changes for 2015/16 have been applied |
| Collection rate | The estimated percentage collection rate |
| Parish Tax Base | The Council Tax Base for 2015/16 for each Parish |