

## Report under Delegated Powers

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>
<b>Council Tax Base 2018-2019</b>	<b>Finance</b>	<b>Peter Haywood</b>

### SUMMARY AND LINK TO CORPORATE PRIORITIES

A report calculating the council tax base for 2018-19. This calculation is the first stage in the calculation of the council tax itself. This supports all corporate priorities as the council tax is a major part of the council's income. The changes in the council tax base reflect the changes introduced in the Local Government Finance Act 2012 (Localisation of Support For Council Tax) and The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 SI 2012 No 2914.

### RECOMMENDATIONS

That the council tax base for 2018-19 be determined as 35,540.8 Band D equivalent properties on the basis of the assumptions set out within this report and broken down across the parished and un-parished areas as follows:-

<b>Parish</b>	<b>Tax Base for determining Council Tax Requirement</b>
Un-parished areas	19,812.8
Farington	2,196.9
Hutton	886.9
Little Hoole	817.3
Longton	3,108.3
Much Hoole	707.2
Penwortham	7,510.1
Samlesbury & Cuerdale	501.3
<b>TOTAL</b>	<b>35,540.8</b>

### DETAILS AND REASONING

- (1) Chapter III of Part 1 of the Local Government Finance Act 1992, along with certain statutory instruments, contains the procedures for calculating the council tax.
- (2) Each billing authority is required to calculate its tax base for the forthcoming year. This calculation must be carried out based on data as at the 30<sup>th</sup> November and notified to its precepting councils (both major and parish) between the 1<sup>st</sup> December and the 31<sup>st</sup> January.
- (3) Dwellings for council tax purposes are allocated to a series of eight valuation bands A to H. There are various discounts (including council tax support) and exemptions available, as well as relief for the disabled.
- (4) The object of tax base fixing is to calculate what all the dwellings in the billing authority's area represent in terms of fully occupied band D dwellings with no disability relief,

exemptions or discounts. The exercise also incorporates a forecast of changes in yield likely to happen during the coming financial year and a percentage estimate for losses in collection caused by write offs and rebandings.

- (5) Detailed calculations have been made on a parish by parish basis to establish the position as at the 30<sup>th</sup> November 2017.
- (6) In addition predictions for the forthcoming year indicate that there will be growth across the whole borough, with assumed growth across all areas of 0.6%. This equates to a full year amount of half this figure (0.3%) because properties will be built and occupied throughout the year.
- (7) South Ribble Borough Council is still receiving significant numbers of property re-bandings from the Valuation Office Agency; this is putting further pressure on the tax base. An allowance for band reductions has been carried out as part of the overall tax base calculation. The effect of these re-bandings is to reduce previous year's tax bases and therefore the provision for losses in collections has been increased accordingly, as outlined below.

The in-year collection rate is expected to be around 97.5%, although experience based over the past 5 years collection rates indicates that when collection of arrears are taken into account the collection rate rise to around 99.0% of the council tax billed. The amounts collected however are reduced by the need for South Ribble Borough Council to issue refunds resulting from council tax re-bandings. The estimated loss in collection of 2.0% of the collectable debit has been adjusted to take into account the increased number of property re-bandings. This figure is unchanged from that used in recent years.

## WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

<b>FINANCIAL</b>	The tax base will be used to calculate next year's council tax. Subject to some minor adjustments:- the council's net budget requirement, less central government funding from grants and retained business rates income, divided by the tax base gives the band D council tax.		
<b>LEGAL</b>	Any legal implications are included in the main body of the report.		
<b>RISK</b>	This is a forecast using the best information to hand as at 30 <sup>th</sup> November 2017. Therefore, whilst it will not be entirely accurate, any variation will be taken into account when setting the council tax for 2019-20.		
<b>OTHER (see below)</b>			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Efficiency Savings</i>	<i>Equality, Diversity and Community Cohesion</i>
<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>
<i>Respect Agenda</i>	<i>Staffing</i>	<i>Sustainability</i>	<i>Training and Development</i>

## BACKGROUND DOCUMENTS

Local Government Finance Act 2012  
 Local Government Finance Act 1992 and subsequent statutory instruments.

The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 SI 2012 No 2914.  
Statistical data extracted from the council tax database.