
Subject:	COUNCIL TAX BASE 2017/18
Meeting and Date:	Council – 25th January 2017
Report of:	Mike Davis, Director of Finance, Housing and Community
Portfolio Holder:	Councillor Mike Conolly, Portfolio Holder for Corporate Resources and Performance
Classification:	Unrestricted

Purpose of the report: To formally determine not to revise the reduction of Council Tax Discounts.

To set the Council Tax base for 2017/18 by 31 January 2017, in accordance with the Local Government Finance Act 1992.

Recommendation: It is recommended that Council:

1. Determine that for the financial year 2017/18, the empty homes discount is reduced to 0% for Class C empty properties, and remove the 2nd homes discount so that Council Tax will be payable in full on these properties.
2. Approve the District's Council Tax Base for 2017/18 as **37,204.40** and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Appendix 2.

1. Summary

1.1 The Council Tax base for the coming year is set by DDC, and is used by Kent County Council, the Police and Crime Commissioner for Kent, Kent and Medway Fire and Rescue Authority and the various town and parish councils when setting their Council Tax and their precepts.

2. Introduction and Background

2.1 The Council is required to set its tax base by 31 January every year, for the following financial year. The taxbase is defined mainly in terms of the number of Band D equivalent properties, but it is then adjusted to reflect various discounts.

2.2 The Council is also required on an annual basis:

- (a) To determine whether and, if so, the extent to which it will reduce or remove any Council Tax Discounts;

- 2.3 The tax base for 2017/18 has been prepared in accordance with the current regulations¹ which came into force on 30 November 2012. The calculations are shown in Appendix 1.
- 2.4 As the Council Tax base is defined in terms of “Band D equivalent” dwellings, and Band D dwellings are treated as “average” houses, all other properties are defined as a ratio against Band D houses, and pay Council Tax in accordance with that ratio.
- 2.5 The table below illustrates how this works.

Council Tax Band	Ratio to Band D	Number of Dwellings (based on the Valuation Office list)²
Band A	6/9	6,976
Band B	7/9	16,344
Band C	8/9	13,653
Band D	9/9	6,927
Band E	11/9	4,202
Band F	13/9	2,292
Band G	15/9	1,411
Band H	18/9	70

- 2.6 The basis of the calculation is to multiply the number of dwellings in each band by their respective ratio, then add the totals together to produce a “Band D equivalent” total. This is followed by a number of adjustments for factors such as single person discounts, people in receipt of Council Tax Reduction Scheme discounts, etc. The total is then adjusted for the anticipated collection rate, in order to determine the tax base.
- 2.7 Based on these factors it is recommended that the tax base for 2017/18 is set at **37,204.40**

3. Identification of Options For the Setting of the Council Tax Base

- 3.1 There is some discretion in setting the level of discounts, expected new builds, CTRS scheme growth and the assumed collection rate when setting the tax base. Beyond these, setting of the Council Tax base is mainly a mechanical process based on the projected number of properties, level of discounts and collection rates, and does not produce options for Members to consider.

4. Reduction of Council Tax Discounts

- 4.1 From the year 2013/2014 and subsequently, the Council removed the following Council Tax Discounts in order to meet the cost of operating the chosen Council Tax Reduction Scheme:

¹ “Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI:2012:2194)”

² In the actual calculation this is adjusted for anticipated new build, demolitions, etc. expected during the year

- (a) Second Home discount of 10% removed;
 - (b) Empty property exemption (Class C) removed.
- 4.2 Reductions in Council Tax Discounts are required to be determined on an annual basis, and it is recommended that the existing Council Tax reductions/removals are continued for the year 2017/18.

5. Council Tax Reduction Scheme

- 5.1 The Welfare Reform Act 2012 abolished Council Tax Benefit from April 2013 and, in accordance with Section 13A of the Local Government Finance Act 1992 the Council approved a local council tax reduction scheme, with effect from 1 April 2014, adopting, as the scheme, the document cited as “the Local Council Tax Support Scheme – Dover District Council 2015 (‘the 2015 scheme’).
- 5.2 The revised scheme for 2017 was agreed and approved at full council on 30th November 2016 and the tax base has been calculated in accordance with the revised scheme.

6. Identification and Evaluation of Options For the Reduction of Council Tax Discounts

- 6.1 The reduction of Council Tax discounts is a separate decision from the decision already taken to replace the Council Tax Reduction Scheme. However, the additional income from the reduction in discounts, is used to offset some of the costs of the Council Tax Reduction Scheme.

- 5.3 The options identified are:

- (a) Reinstate the Second Home discount of 10% and / or the empty property exemption (Class C).
- (b) Maintain the removal of the Second Home discount of 10% and the empty property exemption (Class C)

- 5.4 Option (a) would require the Council to review the level of support provided in the Council Tax Reduction Scheme and / or make reductions in the budgets for other services. The operation of the scheme is continuously monitored, and is summarised in the Quarter 3 Performance Report included in the published Cabinet agenda for 6th February 2017.

6. Corporate Implications

- 6.1 Comment from the Director of Finance, Housing and Community:

The Director of Finance has been consulted and has no further comments to make (MD).

- 6.2 Comment from the Solicitor to the Council:

The Solicitor to the Council has been consulted and has no further comments to make.

- 6.3 Comment from the Equalities Officer:

This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

7. **Appendices**

Appendix 1 – The Council Tax Base Calculation for 2017/18

Appendix 2 – The Council Tax Base for the Towns and Parishes

8. **Background Papers**

- Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012:2914)
- Detailed calculations for District and Parish/Town Council Tax Bases

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The Council Tax Base Calculation for 2017/18

Council Tax Base = A x B:

- (i) A is the total of the "relevant amounts" (or Band D equivalents) for that year for each of the valuation bands which is shown or is likely to be shown for any day in that year in the authority's valuation list as applicable to one or more dwellings situated in this area.
- (ii) B is the authority's estimate of its collection rate for that year (97.50%)
- (iii) The "relevant amount" for a valuation band is the amount found by applying the formula: $(H - Q + E + J) \times (F/G)$
- (iv) H is the number of chargeable dwellings in the area of the Council (as billing authority) on calculated in accordance with the regulations at 30th November 2012
- (v) Q is the factor to take account of the discounts to which the amount of council tax payable was subject to that band, estimated in accordance with the regulations at 30th November 2012
- (vi) E is a factor to take into account any premiums, if any, to which the council tax payable was subject to that band, estimated in accordance with the regulations at 30th November 2012
- (vii) J is the estimated adjustments due to change in the number of dwellings, exemptions and discounts.
- (viii) Z is the total amount that the authorities estimates will be applied in relation to the Authorities council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in the band.
- (ix) F is the number which is the proportion of dwellings in that band.
- (x) G is the number that, in that proportion, is applicable to dwellings in band D.

The amount calculated for Dover District Council's Council Tax Base in 2017/18 is 37,204.40 save for the following parts of the Council's administrative area where its Council Tax Base shall be the amounts shown against each part respectively.

Collection rate has been reviewed with regard to the changes, Council Tax Support discounts and exemptions and a rate of 97.50% has been estimated.

Appendix 2

Parish	2016/17 Tax Base - using collection rate	2017/18 Tax Base using collection rate
Alkham	298.68	306.43
Ash	1095.02	1120.04
Aylesham	1024.03	1103.18
Capel-Le-Ferne	617.71	626.51
Deal	6,477.35	6,594.87
Denton-with-Wootton	167.40	172.20
Dover	7,679.07	7,924.76
Eastry	754.48	779.46
Eythorne	771.20	775.78
Goodnestone	166.59	173.67
Great Mongeham	264.10	268.30
Guston	379.08	374.32
Hougham-Without	179.88	181.32
Langdon	226.57	227.85
Lydden	247.63	253.51
Nonington	293.91	295.17
Northbourne	264.67	269.79
Preston	257.35	302.76
Ringwould-with-Kingsdown	1,018.35	1,013.04
Ripple	149.51	150.81
River	1,481.45	1,497.88
St Margarets-at-Cliffe	1,256.81	1,283.08
Sandwich	1,875.75	1,925.51
Shepherdswell-with-Coldred	731.93	738.74
Sholden	547.05	670.64
Staple	227.89	228.32
Stourmouth	110.80	111.50
Sutton-by-Dover	296.68	305.59
Temple Ewell	640.31	639.36
Tilmanstone	151.87	153.23
Walmer	3,261.05	3,277.47
Whitfield	1,821.38	1,899.84
Wingham	664.23	672.16
Woodnesborough	415.20	442.87
Worth	436.93	444.44
Total	36,251.91	37,204.40