
Subject:	COUNCIL TAX BASE 2018-19
Meeting and Date:	COUNCIL – 31 JANUARY 2018
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 formally determine not to revise the Council Tax Reduction Scheme.
To set the Council Tax base for 2018-19 by 31 January 2018, in accordance with the Local Government Finance Act 1992.

Recommendation: It is recommended that Council:

- (1) Determine that for the financial year 2018-19, the empty homes discount remains at 0% for Class C empty properties, and continue to remove the discount for 2nd homes so that Council Tax will be payable in full on these properties.
- (2) Determine not to revise the Council Tax Reduction Scheme for 2018-19
- (3) Approve the District's Council Tax Base for 2018-19 as 37,962.69 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;
- (b) To determine not to revise the Council Tax Reduction Scheme for 2018-19. This scheme was approved by full Council in 2017.

- 2.3 The tax base for 2018-19 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	7,005
Band B	7/9	16,480
Band C	8/9	13,755
Band D	9/9	7,007
Band E	11/9	4,258
Band F	13/9	2,317
Band G	15/9	1,439
Band H	18/9	72

- 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 2018-19 is set at 37,962.69

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

- 3.1 The 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~~

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

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:

- (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 2018-9.

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 therefore not contained in this report.

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 mainly offsets the costs of the Council Tax Reduction Scheme.

6.2 The options identified are:

- (a) Reinstatement of 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)

6.3 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 5th February 2018.

7. Corporate Implications

7.1 Comment from the Director of Finance, Housing and Community: Finance have been consulted and have no further comments to add. (SG)

- 7.2 Comment from the Solicitor to the Council: Legal have been consulted and have no comments to add.
- 7.3 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>.

8. Appendices

Appendix 1 – The Council Tax Base Calculation for 2018-19

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

9. Background Papers

Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012:2914)

Detailed calculations for District and Parish/Town Council Tax Bases

Contact Officer: Mandie Kerry, Income Manager, EK Services

Mandie.kerry@ekservices.org

The Council Tax Base Calculation for 2018-19

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 (97.65%)
- (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 2018-19 is 37,962.69 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. This report seeks the approval of the collection rate of 97.65%.

Appendix 2

Parish	2017-18 Tax Base - using collection rate	2018-19 Tax Base using collection rate
Alkham	306.43	307.61
Ash	1120.04	1126.94
Aylesham	1103.18	1365.88
Capel-Le-Ferne	626.51	660.15
Deal	6,594.87	6,651.71
Denton-with-Wootton	172.20	171.45
Dover	7,924.76	8,073.27
Eastry	779.46	788.15
Eythorne	775.78	782.97
Goodnestone	173.67	171.61
Great Mongeham	268.30	268.71
Guston	374.32	374.95
Hougham-Without	181.32	183.08
Langdon	227.85	227.56
Lydden	253.51	254.42
Nonington	295.17	293.16
Northbourne	269.79	267.72
Preston	302.76	326.30
Ringwould-with-Kingsdown	1,013.04	1,018.86
Ripple	150.81	152.03
River	1,497.88	1,487.35
St Margarets-at-Cliffe	1,283.08	1,303.27
Sandwich	1,925.51	1,922.46
Shepherdswell-with-Coldred	738.74	753.56
Sholden	670.64	746.02
Staple	228.32	229.77
Stourmouth	111.50	113.25
Sutton-by-Dover	305.59	307.40
Temple Ewell	639.36	645.05
Tilmanstone	153.23	153.26
Walmer	3,277.47	3,290.37
Whitfield	1,899.84	1,933.63
Wingham	672.16	681.07
Woodnesborough	442.87	464.24
Worth	444.44	465.46
Total	37,204.40	37,962.69