

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 11

meeting date: 27 OCTOBER 2015  
title: COUNCIL TAX BASE 2016/17  
submitted by: DIRECTOR OF RESOURCES  
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### 1 PURPOSE

1.1 To inform members of the council tax base for the next financial year (2016/17).

1.2 Relevance to the Council's ambitions and priorities:

- The Council has a statutory duty to set its tax base. The revenue raised from council tax is used to finance the Council's priorities, objectives and ambitions.

### 2 BACKGROUND

2.1 The Local Authorities (Calculation of Council Tax Base) Regulations 1992 (the council tax base regulations), made under powers of the Local Government Finance Act 1992, specify formulae for calculating the council tax base which must be set between 1 December and 31 January.

2.2 The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. It is used for the purposes of calculating a billing authority's and major precepting authority's band D council tax.

2.3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.

2.4 The relevant amounts are calculated as

- number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
- adjusted for the number of discounts, and reductions for disability, that apply to those dwellings

2.5 Significant changes were introduced in 2013/14 affecting how we calculate our tax base, these were:

- The impact of our local council tax support scheme
- The impact of any new flexibilities under the technical changes to council tax

### 3 THE CALCULATION OF OUR TAX BASE 2016/17

3.1 The calculation briefly comprises:

- a) The number of properties in each valuation band shown on the valuation list.
- b) Less the number of dwellings that are exempt where, for example, properties are unoccupied and unfurnished for a period of less than six months.
- c) Adjustments for properties where disabled relief applies.

d) Deductions in respect of discounts:

	Discount Allowed
Single Persons	25%
Empty Dwellings Not Exempt	50%
Dwellings Where All Residents Are Disregarded	50%
Dwellings Occupied Wholly by Students	100%

e) Deductions in respect of the discount given under the local council tax support scheme

f) Adjustments

- Dwellings coming on or moving off the list.
- Changes in the number of discounts.
- Allowance for appeals against the valuation banding.

g) The resultant figure is then multiplied by the appropriate quotient for that band to give the band D equivalent, e.g.:

$$\text{Band A} \times \frac{6}{9} = \text{Band D Equivalent} \quad \text{Band H} \times \frac{18}{9} = \text{Band D Equivalent}$$

h) A special reduction applies for disabled persons living in band A properties, they pay 5/9ths of the band D charge.

i) Finally, an aggregate of each band is then multiplied by the assumed collection rate to give the taxbase for that parish.

This calculation is then repeated for each parish and town.

**The final sum equals the Council's taxbase. For 2016/17 this will be 22,024, compared with a tax base for 2015/16 of 21,703.**

#### 4 LOCAL GOVERNMENT FINANCE ACT 2012

4.1 The *Local Government Finance Act 2012* allowed changes to the discounts on council tax for second homes and empty properties. From 1 April 2013, second homes may be charged 100% of their normal rate of council tax, instead of the previous maximum of 90%. "Unoccupied and substantially unfurnished" properties are subject to a discount of anything between 0% and 100% of their council tax, at the discretion of the billing authority. Properties undergoing "major repair work" or "structural alteration", which are vacant, can be subject to a discount of any amount between 0% and 100%, for a maximum of 12 months.

4.2 The full 50% discount must be retained on a second home where the liable person is required as part of his/her employment to live in job-related accommodation.

4.3 From 1 April 2013, local authorities can also set an 'empty homes premium' for long-term empty properties. Properties which have been unoccupied and substantially unfurnished for over two years may be charged up to 150% of the normal liability.

- 4.4 In 2013/14, i.e. the first year of the new changes, the Council agreed to leave the rates of our current discounts/exemptions unchanged.
- 4.5 For 2014/15 however the Council, after detailed consideration, implemented the following change:
- For long term empty properties (empty from 6 months upto 2 years) remove the current 50% discount i.e. owners are liable for the full 100% council tax due

**4.6 There are no proposals to change our current discounts for 2016/17.**

4.7 Annex 1 shows how this total council tax base of 22,024 is broken down by parish.

**5 LOCAL COUNCIL TAX SUPPORT (LCTS)**

- 5.1 The impact of council tax support on our tax base means that overall our figure is reduced by 1,236 Band D equivalents. This is because the scheme is now operated as a discount against an individual's council tax rather than paid as a benefit as previously.
- 5.2 In 2013/14 we received a grant of £23,000 from the Government to pass on to parish/town councils as compensation towards the impact of this reduction. We as a Council decided to pass on this funding to parishes as intended.
- 5.3 However in 2014/15 no grant was paid by the Government. Instead they stated that this funding had been rolled into council's overall grant settlement. As such it was impossible to identify how much funding could be attributable to parish/town councils. Whilst some councils paid no funding over we decided to pass over a reduced sum in recognition of the cut in our government funding. We estimated the grant payable as follows:

Year	Grant
2013/14	£23,000
2014/15	£17,034
2015/16	£11,500
2016/17	£5,750

5.4 Using the same principle the grant we intend to pass on for 2016/17 will be £5,750. Grants will be paid pro rata to the council tax base reduction facing each parish/town council as a result of council tax support for their area.

**6 CONCLUSION**

6.1 The provisional council tax base for 2016/17 is 22,024. The final council tax base will be determined between 1 December 2015 and 31 January 2016.

**DIRECTOR OF RESOURCES**

PF66-15/JP/AC  
19 October 2015

	2016/17 taxbase	2015/16 taxbase	difference
Aighton, Bailey & Chaigley	443	440	3
Balderstone	193	192	1
Barrow	353	352	1
Bashall Eaves, Great Mitton & Little Mitton	202	197	5
Billington & Langho	2,032	1,993	39
Bolton by Bowland, Gisburn Forest & Sawley	477	473	4
Bowland Forest (High)	73	67	6
Bowland Forest (Low)	77	83	-6
Bowland with Leagram	83	82	1
Chatburn	374	367	7
Chipping	481	483	-2
Clayton le Dale	495	499	-4
Clitheroe	4,961	4,797	164
Dinckley	44	45	-1
Downham	49	51	-2
Dutton	104	105	-1
Gisburn	197	194	3
Grindleton	345	355	-10
Horton	46	44	2
Hothersall	73	72	1
Longridge	2,657	2,622	35
Mearley	8	8	0
Mellor	991	986	5
Newsholme	20	20	0
Newton	145	145	0
Osbaldeston	110	106	4
Paythorne	44	43	1
Pendleton	106	103	3
Ramsgreave	281	266	15
Read	552	547	5
Ribchester	650	651	-1
Rimington & Middop	221	216	5
Sabden	515	516	-1
Salesbury	186	171	15
Simonstone	490	493	-3
Slaidburn & Easington	154	147	7
Thornley with Wheatley	160	160	0
Twiston	37	37	0
Waddington	455	447	8
West Bradford	360	356	4
Whalley	1,496	1,474	22
Wilpshire	1,065	1,076	-11
Wiswell	176	179	-3
Worston	43	43	0
<b>Total</b>	<b>22,024</b>	<b>21,703</b>	<b>321</b>