

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 8

meeting date: 20 NOVEMBER 2018  
title: COUNCIL TAX BASE 2019/20  
submitted by: DIRECTOR OF RESOURCES  
principal author: JANE PEARSON

## 1 PURPOSE

- 1.1 To inform members of the council tax base for 2019/20

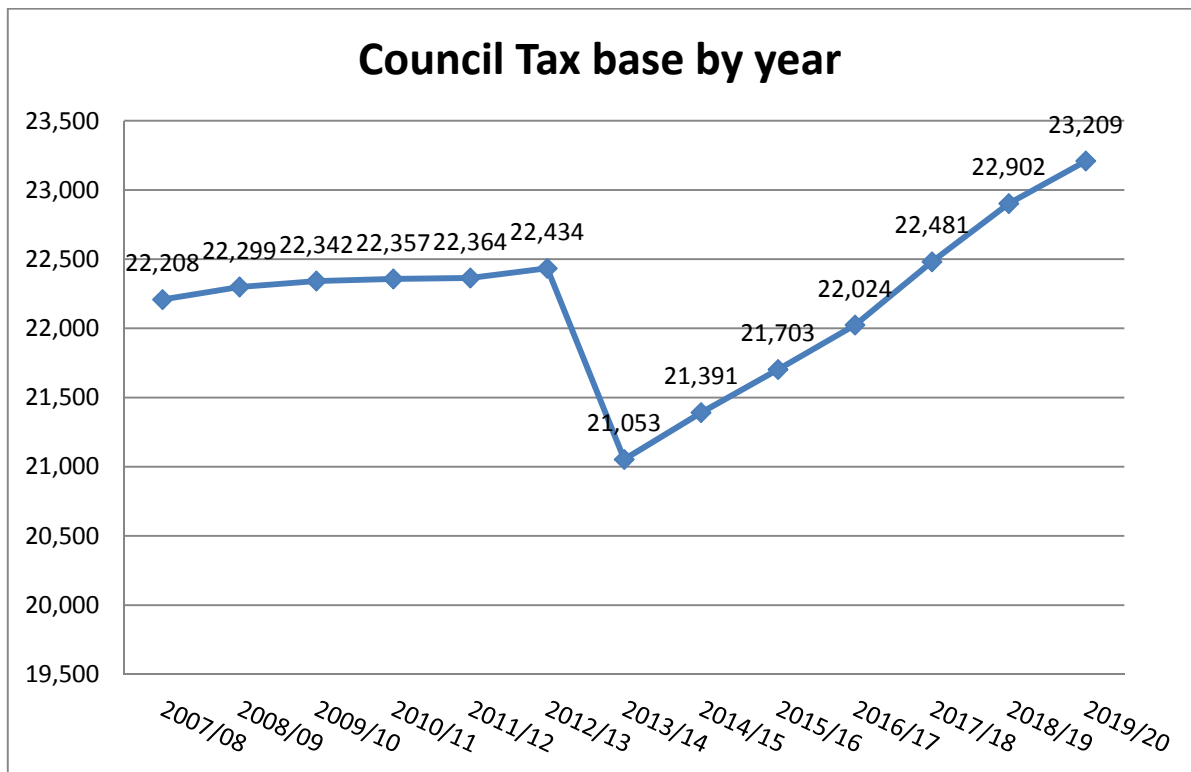
## 2 BACKGROUND

- 2.1 The council tax base is set each year between 1 December and 31 January and is an important calculation which sets out the number of dwellings to which council tax is chargeable in an area or part of an area.
- 2.2 To calculate the tax base for an area, the number of dwellings in each council tax band is adjusted to take account of any discounts, premiums or exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. These are then multiplied by the authority's estimated collection rate for the year.
- 2.3 The tax base is used for the purposes of calculating the band d council tax for the billing authority and also major precepting authorities and parish councils.

## 3 LOCAL GOVERNMENT FINANCE ACT 2012

- 3.1 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.
- 3.2 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.
- 3.3 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.
- 3.4 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.
- 3.5 From 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 THE RATING (PROPERTY IN COMMON OCCUPATION) AND COUNCIL TAX (EMPTY DWELLINGS) ACT 2018
  - 4.1 Legislation has recently received royal assent on 1st November 2018 that will allow Billing Authorities greater freedoms in the charges that are levied on long term empty homes. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 will increase the premium that Billing Authorities can impose on properties that have been vacant i.e. unoccupied and unfurnished for more than two years from 50% to 100%.
  - 4.2 Furthermore from 1st April 2020 for properties that have been vacant for more than 5 years the premium can be increased to 200% and from 1 April 2021 the premium can be increased to 300% for properties that have been unoccupied for more than 10 years.
  - 4.3 It is important to note that this legislation does not apply to second homes or properties that are exempt from Council Tax e.g. where a property may be unoccupied because the owner has passed away or gone into a nursing home etc. There are currently 198 properties that are classed as being vacant for more than 6 months, that are not second homes or exempt from Council Tax. For these properties a full Council Tax charge is levied but we do not currently also charge a premium. However it should be noted that only 92 (26 of which are on the Calderstones hospital site) of these have been unoccupied for more than 2 years. Furthermore if we were to take advantage of this new flexibility this Council would only retain 9% of any extra council tax revenues raised.
  - 4.4 The Budget Working Group considered the new powers at their meeting on 7 November 2018 and recommend that the Council do not introduce any changes for the forthcoming year but perhaps reconsider in the future depending on the experience of other local authorities introducing the new premiums.
- 5 COUNCIL TAX BASE 2019/20
  - 5.1 Our calculation has now been carried out across all of our parishes and has resulted in an overall tax base of 23,209 for 2019/20 of which is an increase of 1.3% on the tax base for 2018/19 of 22,902.
  - 5.2 Our overall tax base is shown by parish in Annex 1.
- 6 MOVEMENT IN OUR TAX BASE SINCE 2007/08
  - 6.1 The following graph shows the movement in our overall tax base by year since 2007/08.



6.2 Our tax base rose steadily for the period 2007/08 to 2012/13. In 2013/14 local council tax support schemes (LCTS) were determined which replaced the national council tax benefit scheme. The impact of new local council tax support is that the amount awarded now appears as a discount against the claimant's council tax bill. As discounts impact on the council's tax base this meant overall our tax base fell significantly in 2013/14 as a direct result of the implementation of our scheme. Overall our tax base fell by 1,486.

6.3 From 2013/14 you can see our tax base has increased significantly by 1.5%– 2% each year, though the increase for next year is slightly lower at 1.3%.

## 7 CONCLUSION

7.1 Our council tax base has increased steadily over the period 2007/18 to 2013/14 however since then we have averaged increases of 1.5% to 2% each year.

## 8 RECOMMENDED THAT

8.1 Do not introduce the new council tax premiums on long term empty homes as allowed for in recent changes in legislation.

8.2 Approve the Council Tax Base 2019/20.

DIRECTOR OF RESOURCES

PF67-18/JP/AC  
9 November 2018

|   | 2019/20<br>taxbase | 2018/19<br>taxbase | difference |
|---|--------------------|--------------------|------------|
| Aighton, Bailey & Chaigley                  | 442                | 446                | -4         |
| Balderstone                                 | 198                | 197                | 1          |
| Barrow                                      | 484                | 449                | 35         |
| Bashall Eaves, Great Mitton & Little Mitton | 203                | 205                | -2         |
| Billington & Langho                         | 2,141              | 2,124              | 17         |
| Bolton by Bowland, Gisburn Forest & Sawley  | 493                | 488                | 5          |
| Bowland Forest (High)                       | 73                 | 70                 | 3          |
| Bowland Forest (Low)                        | 79                 | 79                 | 0          |
| Bowland with Leagram                        | 80                 | 86                 | -6         |
| Chatburn                                    | 379                | 380                | -1         |
| Chipping                                    | 490                | 488                | 2          |
| Clayton le Dale                             | 514                | 510                | 4          |
| Clitheroe                                   | 5,372              | 5,225              | 147        |
| Dinckley                                    | 47                 | 44                 | 3          |
| Downham                                     | 49                 | 48                 | 1          |
| Dutton                                      | 106                | 105                | 1          |
| Gisburn                                     | 218                | 211                | 7          |
| Grindleton                                  | 362                | 360                | 2          |
| Horton                                      | 46                 | 47                 | -1         |
| Hothersall                                  | 69                 | 73                 | -4         |
| Longridge                                   | 2,804              | 2,772              | 32         |
| Mearley                                     | 9                  | 8                  | 1          |
| Mellor                                      | 995                | 1,000              | -5         |
| Newsholme                                   | 18                 | 20                 | -2         |
| Newton                                      | 142                | 146                | -4         |
| Osbaldeston                                 | 110                | 111                | -1         |
| Paythorne                                   | 45                 | 43                 | 2          |
| Pendleton                                   | 106                | 106                | 0          |
| Ramsgreave                                  | 280                | 280                | 0          |
| Read  | 562                | 564                | -2         |
| Ribchester                                  | 658                | 661                | -3         |
| Rimington & Middop                          | 242                | 239                | 3          |
| Sabden                                      | 521                | 524                | -3         |
| Salesbury                                   | 191                | 193                | -2         |
| Simonstone                                  | 496                | 497                | -1         |
| Slaidburn & Easington                       | 148                | 150                | -2         |
| Thornley with Wheatley                      | 169                | 167                | 2          |
| Twiston                                     | 37                 | 35                 | 2          |
| Waddington                                  | 454                | 456                | -2         |
| West Bradford                               | 368                | 362                | 6          |
| Whalley                                     | 1,699              | 1,627              | 72         |
| Wilpshire                                   | 1,082              | 1,078              | 4          |
| Wiswell                                     | 183                | 183                | 0          |
| Worston                                     | 45                 | 45                 | 0          |
|   | <b>23,209</b>      | <b>22,902</b>      | <b>307</b> |