



REPORT OF:	FINANCE MANAGER
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TO:	COUNCIL
DATE:	13 DECEMBER 2012

WARD(S) AFFECTED:	All
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SUBJECT:	THE COUNCIL TAX BASE FOR 2013/14
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RECOMMENDATION:

1. In accordance with the *Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012*, the Council Tax Base for 2013/14 for each of the Council's areas shall be as follows:

Reigate & Banstead Council as a whole: 56,697

Horley Town Council area: 8,362

Salfords & Sidlow Parish area: 1,367

REASONS FOR RECOMMENDATION:

The Council's Constitution states that the Council Tax Base can only be approved by the full Council.

EXECUTIVE SUMMARY:

The Council Tax Base is the measure of the relative taxable capacity of each of the three different tax-raising areas of the Borough (the Borough as a whole, the Parish Council area and the Town Council area). It has to be determined before 31 January each year and reported to the Department for Communities & Local Government.

STATUTORY POWERS

1. Regulation 8 of the *Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012* requires a Local Authority to determine its Council Tax Base for the following financial year before 31 January each year.

ISSUES

Background

2. The Tax Base is the measure of the relative taxable capacity of each of the three different tax-raising areas of the Borough (the Borough as a whole, the parish council area and the town council area). Town and Parish Councils ("local preceptors"), the County Council and the Police Authority ("major preceptors") are then notified of the proposed Tax Base relevant to them. As the billing authority, Reigate & Banstead Borough Council ("the Council") is responsible for the collection of council tax and the payment of precepts to the precepting bodies.

The Council Tax Base calculation

3. The Council Tax Base represents the estimated full year number of chargeable properties in an area, expressed as the equivalent number of "Band D" properties. These calculations are based on the numbers of properties by Council Tax band in the Valuation List, plus the estimated new properties likely to be occupied in 2013/14. The result is adjusted for discounts, exemptions and reductions and then an estimated collection rate applied. It is due to these adjustments that the total number of properties for Council Tax Base purposes does not directly correlate to the number of properties on the electoral register.
4. The 2013/14 Council Tax Base (detailed in Annexes 1, 2 and 3) is summarised in Table 1 below.

Table 1: 2013/14 Council Tax Base Summary (Band D Equivalents)

Area	2012/13	2013/14	% Change
Reigate & Banstead as a whole	59,403	56,697	-4.5%
Horley Town Council	8,883	8,362	-5.9%
Salfords & Sidlow Parish Council	1,413	1,367	-3.2%

5. 2013/14 is the first year the Tax Base will include the Local Council Tax Support scheme.
6. The introduction of this new range of discounts effectively reduces the Tax Base by the equivalent of 4,595 properties. This reduction however is partially offset by other changes to discounts (see paragraph 12) and increases in Council Tax registrations. Changes in government grant funding close the remaining gap.
7. Initial consultations published by the Department of Communities and Local Government ("DCLG") suggested that the Local Council Tax Support scheme should not directly impact on local precepting bodies. However the final regulations, issued in November 2012, require the local preceptors Council Tax

Base to include these changes - but also contain a requirement for the Council to work closely with local preceptors to reduce uncertainty and volatility.

8. In order to achieve this, the Council will pay an amount equivalent to the difference between the precept that would have been raised if the Local Council Tax Support scheme was not included, and the precept set with the changes included. This was the approach required in earlier consultation documents from DCLG.
9. For 2013/14 these payments will be in the region of £22,000 for Horley Town Council and £1,200 for Salfords and Sidlow Parish Council.

Technical Reform of Council Tax

10. The Local Government Finance Act 2003 provided devolved powers for billing authorities to make decisions on Council Tax discounts for certain properties, based on local circumstances such as second homes and long-term empty properties. Additional freedoms have been added by the Local Government Finance Act 2012 extending the range of discounts that can be awarded.
11. It has been agreed to use a number of these additional freedoms to incentivise bringing empty properties back into use - as set out in the report to the Executive on 6 December 2012 "Technical Reform of Council Tax - New Discounts For Empty Properties".
12. The impact of these changes to the Council Tax Base is set out below.
 - i. Class A exemptions (properties that are empty and uninhabitable): 44 additional Band D equivalent properties.
 - ii. Class B exemptions (empty and furnished - second homes): 364 additional Band D equivalent properties.
 - iii. Class C exemptions (properties that are empty and unfurnished): 469 additional Band D equivalent properties.
 - iv. Long-term empty properties (two years or more): 86 additional Band D equivalent properties.

Collection Rate

13. An assumed provision for non-collection is applied when calculating the Tax Base. In determining this rate a number of factors are taken into account including losses in income due to banding reductions, non-payment, and back-dated awards of discounts and exemptions.
14. The assumed non-collection rate is 0.8%, the same as for 2012/13. This means that the Council will budget to collect (over time) 99.2% of the Council Tax.
15. The collection rate will however be closely monitored during the year in order to assess the impact of the changes introduced by the Local Council Tax Support scheme.

OPTIONS

16. When calculating and setting the Tax Base the Council has to follow specific regulations laid down under statutory instruments. There is therefore no opportunity for Members to make any changes to the levels set out in the recommendation.

LEGAL IMPLICATIONS

17. The Council Tax Base is a key element of the statutory calculation of the Council Tax.

FINANCIAL IMPLICATIONS

18. Determining the Council Tax Base is a prerequisite for the calculation of the Council Tax. Budget and Council Tax levels will be addressed in the coming months.

EQUALITIES IMPLICATIONS

19. There are no specific equalities implications arising from this report.

RISK MANAGEMENT CONSIDERATIONS

20. There are no risk management considerations.

OTHER IMPLICATIONS

21. There are no other implications arising from this report.

CONSULTATION

22. There is no consultation requirement associated with this report.

POLICY FRAMEWORK

23. The Corporate Plan 2011/15 (a Level One policy document under the Council's Constitution) includes the corporate priority "achieve savings to deliver a balanced budget and the Council's priorities".

Background Papers: *Council Tax Base 2012/13*
Council
15 December 2011

Technical Reform of Council Tax – New Discounts For Empty Properties
Executive
6 December 2012

2013/14 COUNCIL TAX BASE: REIGATE & BANSTEAD BOROUGH COUNCIL (RBBC) GENERAL AREA

	Council Tax Bands								Total
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
Number of dwellings (as per CTB1 return)	1,011	3,601	11,465	16,610	10,337	7,026	6,989	936	57,975
Less: disabled	-1	-1	-44	-92	-58	-43	-71	-24	-334
Add: disabled	1	44	92	58	43	71	24	0	334
Less: exempt dwellings	-102	-100	-132	-123	-92	-49	-36	-7	-641
Less: demolished dwellings	0	0	-1	0	0	-1	-2	0	-4
Adjusted Number of dwellings	909	3,544	11,380	16,453	10,230	7,004	6,904	905	57,330
Number of discounts									
Single person discount @25%	554	2096	4965	4848	2478	1343	966	89	17,339
Empty and unfurnished (Class C)	7	28	62	50	37	14	12	4	214
Total Discounts	139	526	1,246	1,216	622	337	242	23	4,351
Long term empty premium @150%	10	8	16	15	14	12	10	3	86
Total premiums	15	12	23	23	20	17	14	4	128
Local Council Tax Support Scheme									
Reduction due to scheme	187	805	1,678	1,403	354	107	56	5	4,595
Net Number of dwellings	598	2,225	8,479	13,857	9,274	6,577	6,620	881	48,511
Band D Equivalents	398.6	1,730.5	7,537.1	13,856.7	11,334.8	9,500.7	11,033.1	1,762.4	57,153.9
Less non-collection rate of 0.80%									457.2
COUNCIL TAX BASE FOR RBBC AREA									56,696.7

note 1: bills reduced to the band below to ensure that disabled people do not pay more Council Tax due to the additional space needed because of a disability.
note 2: the 25% discount is in respect of homes either under single occupation or where all but one occupant are disregarded for Council Tax purposes.

note 3: 100% discount applied for properties empty for 28 days or less

note 4: 150% premium applied for properties empty for two years or more

note 5: all figure expressed to the number of decimal places required by the Council Tax Base (CTB1) return to DCLG.

2013/14 COUNCIL TAX BASE: HORLEY TOWN COUNCIL AREA

	Council Tax Bands								Total
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
Number of dwellings (as per CTB1 return)	121	760	2,126	3,501	1,660	989	277	7	9,441
Less: disabled	0	0	-10	-21	-11	-7	-4	-1	-54
Add: disabled	0	10	21	11	7	4	1		54
Less: exempt dwellings	-11	-13	-29	-34	-6	-5	-4	0	-102
Less: demolished dwellings	0	0	-1	0	0	0	0	0	-1
Adjusted Number of dwellings	110	757	2,107	3,457	1,650	981	270	6	9,338
Number of discounts									
Single person discount @25%	66	449	920	925	341	134	30	1	2,866
Empty and unfurnished (Class C)	1	6	14	9	5	1	0	0	37
Total Discounts	17	113	231	232	86	34	8	0	719
Long term empty premium @150%	1	0	3	2	1	0	0	0	6
Total premiums	2	0	4	3	1	0	0	0	9
Local Council Tax Support Scheme									
Reduction due to scheme	26	154	306	285	46	8	1	0	826
Net Number of dwellings	69	490	1,574	2,943	1,519	939	262	6	7,801
Band D Equivalents	45.9	381.3	1,398.9	2,942.5	1,856.7	1,357.0	435.8	11.5	8,429.6
Less non-collection rate of 0.80%									67.4
COUNCIL TAX BASE FOR HORLEY TOWN COUNCIL AREA									8,362.2

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2013/14 COUNCIL TAX BASE: SALFORDS AND SIDLOW PARISH COUNCIL AREA

	Council Tax Bands								Total
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
Number of dwellings (as per CTB1 return)	115	43	74	565	245	171	147	11	1,371
Less: disabled	-1	0	0	-2	0	0	-3	0	-6
Add: disabled	0	0	2	0	0	3	0	0	6
Less: exempt dwellings	-10	-1	0	-4	-2	-1	0	0	-18
Less: demolished dwellings	0	0	0	0	0	0	0	0	0
Adjusted Number of dwellings	104	42	76	559	243	173	144	11	1,353
Number of discounts									
Single person discount @25%	60	18	20	131	50	30	15	2	326
Empty and unfurnished (Class C)	0	1	1	2	1	0	0	0	5
Total Discounts	15	5	5	33	13	8	4	1	82
Long term empty premium @150%	1	0	2	0	0	2	0	0	5
Total premiums	1	0	2	0	0	3	0	0	7
Local Council Tax Support Scheme									
Reduction due to scheme	22	3	5	39	9	4	3	0	85
Net Number of dwellings	68	34	68	487	221	165	137	11	1,192
Band D Equivalents	45.4	26.8	60.6	487.1	270.7	238.1	228.7	21.0	1,378.4
Less non-collection rate of 0.80%									11.0
COUNCIL TAX BASE FOR RBBC AREA									1,367.4

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