

# Cherwell District Council

## Executive

8 January 2018

<b>Council Tax Base 2018-2019</b>
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### Report of Executive Director: Finance and Governance

This report is public

#### Purpose of report

To provide Executive with an estimate of the Council Tax Base for 2018-2019 and seek approval for the final determination of the Council Tax Base to be delegated to the Section 151 Officer in consultation with the Lead Member for Financial Management.

#### 1.0 Recommendations

The meeting is recommended:

1.1 That the report of the Executive Director: Finance and Governance for the calculation of the Council's Tax Base for 2018-2019 be considered and:

- (a) That pursuant to the Executive Director: Finance and Governance's report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Cherwell District Council as its Council Tax Base for the year 2018-2019 shall be **52,681.6** This shall be subject to final confirmation by the Section 151 Officer in consultation with the Lead Member for Financial Management.
- (b) As for the parishes which form part of its area shown in Appendix 2, the amount calculated as the Council Tax Base for the year 2018-2019 in respect of special items shall be as indicated in the column titled Tax Base 2018-2019.
- (c) As for the Flood Defence Areas which form part of its area, the amount calculated as the Council Tax Base for the year 2018-2019 for the purposes of levies on Oxfordshire County Council by River Authorities, shall be:

Thames Flood Defence Area	50,381.7
Anglian (Great Ouse) Flood Defence Area	1,864.7
Severn Region Flood Defence Area	435.2
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	52,681.6.

- 1.2 To delegate final approval of the Council Tax Base for 2018-2019 to the Section 151 Officer in consultation with the Lead Member for Financial Management.

## **2.0 Introduction**

- 2.1 For the purposes of Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the Council is required to calculate the tax base (which will be used for tax setting purposes in February 2018) in respect of:
  - (a) the whole of its area and;
  - (b) for any parts of its area for the purposes of:
    - (i) Apportioning precepts and levies and;
    - (ii) Calculating the tax base for each area subject to a special item

## **3.0 Report Details**

- 3.1 In respect of the 1.1 (a) 'the whole of its area':
  - 3.1.1 The tax base has to be notified by Cherwell District Council to major precepting bodies (i.e. Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley) and levy authorities (i.e. Thames Flood Defence Area, Anglian (Great Ouse) Flood Defence Area and Severn Region Flood Defence Area) by 31 January 2018 to enable their precepts to be calculated as a tax per band D equivalent properties.
- 3.2 In respect of 1.1 (b) 'parts of its area'
  - 3.2.1 Major precepting and levying authorities have to notify Cherwell District Council (the billing authority) by 31 December 2017 of the area(s) subject to a special item (expense) and for which an apportionment of the tax base is required. No such notification has been received.
  - 3.2.2 Parishes who levy a precept are automatically treated as a special item and there has to be a tax base calculated for each of the parishes in the area. They are not required to calculate a precept as a tax per band D equivalent property, but can request the tax base figure to be supplied to them within ten days of making a request. Each parish and town council is notified of the figure for their area.

### **Calculation of the tax base**

- 3.3 The starting point of the calculation is the total number of council tax dwellings and their council tax band.
- 3.4 The council then allows for the following information for each band:

- (a) Dwellings which are exempt so no council tax is payable (e.g those where all occupiers are students)
- (b) Dwellings which attract a 25 per cent reduction (e.g those with a single adult occupier)
- (c) Dwellings which attract a 50 per cent reduction (e.g those properties where all adult residents are disregarded or 'don't count' for council tax purposes)
- (d) Dwellings which are treated as paying a lower band because they have been adapted for a disabled person. The regulations specify how to adjust the tax base in respect of band A dwellings.
- (e) Dwellings which attract a reduction through the Council Tax Reduction Scheme.
- (f) Dwellings which are exempt from council tax

3.5 Each band is then converted into "band D equivalents" by applying the factor required by legislation. A band H, for example, is multiplied by two. All of these are added together to give a total number of band D equivalents.

3.6 A further adjustment is made for Class O exempt properties (Armed forces' accommodation) as the Ministry of Defence makes a payment roughly equal to the council tax that it would have had to pay for each property if they were not exempt.

3.7 We also estimate the number of properties which will be either added to or removed from the Valuation List in the new financial year and make an adjustment to reflect that they won't all be subject to full council tax for 12 months.

3.8 A final adjustment is made to allow for non-collection. The council is required to decide what its collection rate is likely to be and applies this to its council tax base. For 2017-2018 this was 98% and it is proposed it should be 98% in 2018-2019.

## **4.0 Conclusion and Reasons for Recommendations**

4.1 Members are asked to note the detail of this report.

4.2 Members are asked to delegate final approval of the Council Tax Base for 2018-2019 to the Section 151 Officer in consultation with the Lead Member for Financial Management.

## **5.0 Consultation**

Councillor Tony Ilott, Lead Member for Financial Management

## **6.0 Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: None. The Council has to set a tax base in order to set its council tax for 2018-2019.

## **7.0 Implications**

### **Financial and Resource Implications**

7.1 The Council Tax Base is used for calculating the amount of Council Tax set by Cherwell District Council. The tax base of 52,681.6 will be reflected in the budget.

Comments checked by:

Sanjay Sharma, Interim Head of Finance, 01295 751564

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### **Legal Implications**

7.2 Pursuant to Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the Council is required to calculate a tax base by 31 January 2018. This will be used for Council Tax setting purposes in February 2018.

Comments checked by:

Nigel Bell, Interim Legal Services Manager, 01295 221687

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### **7.3 Equality and Diversity**

There are no equality and diversity implications arising out of this report.

Comments checked by:

Caroline French, Corporate Policy Officer 01295 221586

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### **7.4 Risk Management**

If the Council does not set a tax base in accordance with statutory deadlines then it will not be able to set its Council Tax for the 2018-2019 financial year.

Comments checked by:

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## **8.0 Decision Information**

### **Key Decision**

**Financial Threshold Met: No**

**Community Impact Threshold Met: No**

## Wards Affected

All

## Links to Corporate Plan and Policy Framework

All

## Lead Councillor

Councillor Tony Ilott, Lead Member for Financial Management

## Document Information

Appendix No	Title
Appendix 1	Council tax base by parish
Appendix 2	Council tax base by Flood Defence Area
Background papers	
None	
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