

Cabinet Report



Report of Head of Finance

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To: Cabinet on: 6 December 2013

To: Council on: 11 December 2013

Council tax base 2014/15

Recommendations

Council be recommended to agree:

1. That, in accordance with the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012) and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended)
 - i. from 1 April 2014 the council tax discount to be applied on unoccupied and substantially unfurnished dwellings (Class C in the Regulations) be 100 per cent for one calendar month and zero per cent thereafter. Where an unoccupied and unfurnished dwelling has already received the current 25 per cent discount for more than one calendar month on 1 April 2014, it shall receive zero discount. Where an unoccupied and unfurnished dwelling has received a 25 per cent discount for less than one calendar month on 1 April 2014, it shall receive a 100 per cent discount for the number of days required to reach one calendar month and then zero per cent discount thereafter. In considering whether a dwelling has been unoccupied and substantially unfurnished for any period, any one period not exceeding six weeks, during which it was not unoccupied and substantially unfurnished shall be disregarded.
2. That the report of the head of finance for the calculation of the council's tax base and the calculation of the tax base for each parish area for 2014/15 be approved
3. That, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as its council tax base for the year 2014/15 be 46,640.5
4. That, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as the council tax base for the year 2014/15 for each parish be the amount shown against the name of that parish in Appendix 1 of the report of the head of finance to Cabinet on 6 December 2013

Purpose of Report

1. The purpose of this report is to ask Cabinet to recommend the council tax base for 2014/15 to Council for approval.

Corporate Objectives

2. The calculation of the tax base is a legal requirement and an essential part of the tax setting process which helps to achieve the council's corporate objective of effectively managing its resources.

Background

3. Before the council tax can be set by the council, a calculation has to be made of the council tax base, which is an estimate of the taxable resources for the district as a whole and for each parish area.
4. The council tax base for the district has to be notified to Oxfordshire County Council and the Police and Crime Commissioner by 31 January 2014. Each parish and town council is also notified of the figure for its area.
5. The legislation requires that the council tax base is approved by full council or a non-executive body with delegated powers. No such delegation exists, so cabinet is therefore asked to recommend to council the schedule set out in **Appendix 1** as the council tax base for the district as a whole and for each parish area.

Calculation of the tax base

6. The starting point for the calculation is the total number of dwellings and their council tax band.
7. The list is sorted into parish order and the council then allows for the following information, for each band:
 - (a) dwellings which will be entirely exempt so no tax is payable (e.g. those occupied entirely by students)
 - (b) dwellings which will attract a 25 per cent reduction (e.g. those with a single adult occupier)
 - (c) dwellings which will attract a 50 per cent reduction (e.g. those where all of the adult residents qualify for a reduction)
 - (d) dwellings which will be treated as being in a lower band because they have been adapted for a severely disabled person. The regulations provide methodology to take account of the reduction available to those in band A dwellings
 - (e) dwellings which will be on the valuation list but which attract discounts or disablement relief or are exempt, for only part of the year
 - (f) dwellings which will attract a reduction through the council tax reduction scheme
8. Each band is then converted into "band D equivalents" by applying the factor laid down by legislation. For example, a band A dwelling is multiplied by 2/3 to arrive at the band D equivalent figure, whilst a band H dwelling is multiplied by two. All these are then added together to give a total of band D equivalents.
9. A final adjustment is required to allow for non-collection. The council is required to decide what its collection rate is likely to be and apply this to its council tax base. For the 2013/14 tax the council assumed 98 per cent would eventually be collected and it is proposed to use 98 per cent again in 2014/15.

Changes for 2014/15

10. For 2013/14 the council resolved to award a discount of 25 per cent for a maximum of six months where dwellings are unoccupied and unfurnished. These types of dwelling had previously been subject to an exemption and paid no council tax (for up to six months). The discounts are awarded under Class C of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended).
11. However, as a consequence of this many small debts are being created where dwellings are unoccupied and unfurnished for short periods (less than one month). It is therefore proposed to amend the discount awarded under Class C of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended) to a 100 per cent discount for one calendar month with effect from 1 April 2014.
12. There will be some unoccupied and unfurnished dwellings that will have received a 25 per cent discount for more than one calendar month on 1 April 2014, but have not reached six months. It is proposed that these dwellings will not receive any discount from 1 April 2014.
13. There will be some unoccupied and unfurnished dwellings that will have received a 25 per cent discount for less than one calendar month on 1 April 2014. It is proposed that these unoccupied and unfurnished dwellings will receive a 100 discount from 1 April 2014 for the number of days required to take their discount period to one calendar month e.g. if a dwelling has received a 25 per cent discount from 20 March 2014 to 31 March 2014 it will receive a 100 per cent discount from 1 April 2014 until 19 April 2014. After this time it will receive no discount.
14. When considering whether a dwelling is unoccupied and unfurnished, any period of less than six weeks where it is not unoccupied and unfurnished shall be disregarded. This is to prevent a council taxpayer from receiving a 100 per cent discount for one month, moving furniture into the dwelling for a few days, and then moving the furniture back out and claiming another month's 100 per cent discount.
15. Because the taxbase is calculated by looking at the state of a dwelling on a particular day there is a small impact on the taxbase by this discount change. For council taxbase purposes these dwellings are no longer making a contribution because they are receiving a 100 per cent discount whereas in the 2013/14 taxbase calculation they would have been contributing 0.75 of a dwelling. The estimated impact on the taxbase is 193 band D equivalents.
16. However, in practical terms, after a maximum of one month these dwellings will be subject to 100 per cent council tax. Therefore, whilst there is a small impact on the taxbase, in cash collected terms the council should see an increase which will make a positive contribution to the end of year collection fund calculation.

Taxbase for 2014/15

17. Based on the assumptions detailed above, and the proposed change to Class C discounts, the council tax base for 2014/15 is 46,640.5.

18. Similar calculations are required for each parish in order to calculate the proportion of the district's tax base which relates to its area. A schedule of the tax base for each parish is set out in **Appendix 1**.
19. To calculate the council tax requirement (ie: the amount of council tax to be raised) the council tax base is multiplied by the Band D equivalent. This will be finalised during January and February, culminating in the council tax being set by council on 19 February 2014 (this date is subject to the council being notified of the major precepting authorities' council tax requirements).

Financial Implications

20. These are set out in the body of the report.

Legal Implications

21. These are set out in the body of the report.

Background Papers

None

Appendix 1

PARISH COUNCIL TAX BASES - 2014/15

PARISH/TOWN COUNCIL	NUMBER OF PROPERTIES	PARISH TAX BASE 2014-15	PARISH TAX BASE 2013-14
ABINGDON	14,461.0	11,703.2	11,580.5
APPLEFORD	140.0	152.7	151.9
APPLETON WITH EATON	390.0	430.9	432.0
ARDINGTON AND LOCKINGE	218.0	201.8	202.9
ASHBURY	236.0	236.9	239.3
BAULKING	40.0	46.7	46.1
BESSELSLEIGH	30.0	36.9	38.0
BLEWBURY	765.0	686.3	685.0
BOURTON	129.0	139.4	134.9
BUCKLAND	254.0	314.4	306.8
BUSCOT	87.0	88.7	88.9
CHARNEY BASSETT	120.0	146.1	144.9
CHILDREY	221.0	231.5	232.8
CHILTON	475.0	486.2	384.8
COLESHILL	75.0	62.7	63.2
COMPTON BEAUCHAMP	32.0	40.8	38.4
CUMNOR	2,531.0	2,676.1	2,591.5
DENCHWORTH	79.0	83.1	80.9
DRAYTON	980.0	898.8	895.6
EAST CHALLOW	322.0	258.3	258.8
EAST HANNEY	345.0	368.9	366.0
EAST HENDRED	493.0	508.5	504.0
EATON HASTINGS	32.0	34.0	33.1
FARINGDON	3,319.0	2,540.5	2,474.3
FERNHAM	95.0	105.8	108.2
FRILFORD	89.0	116.4	117.9
FYFIELD AND TUBNEY	201.0	240.0	235.3
GARFORD	70.0	83.1	80.8
GOOSEY	55.0	64.2	65.3
GREAT COXWELL	129.0	153.4	151.2
GROVE	3,004.0	2,507.3	2,497.0
HARWELL	1,029.0	964.8	960.9
HATFORD	36.0	46.6	43.6
HINTON WALDRIST	143.0	142.1	141.1
KENNINGTON	1,748.0	1,657.1	1,629.4
KINGSTON BAGPUIZE AND SOUTHMOOR	931.0	967.5	947.6
KINGSTON LISLE	104.0	101.6	102.5
LETCOMBE BASSETT	74.0	81.3	81.6
LETCOMBE REGIS	367.0	368.3	334.4
LITTLE COXWELL	68.0	75.2	74.6
LITTLEWORTH	95.0	116.6	114.1
LONGCOT	247.0	259.2	253.7
LONGWORTH	239.0	258.5	257.7
LYFORD	23.0	26.2	23.6
MARCHAM	721.0	692.8	689.4
MILTON	468.0	415.2	412.6
NORTH HINKSEY	1,893.0	1,658.3	1,639.6
PUSEY	28.0	33.1	33.4
RADLEY	1,004.0	864.8	849.6
ST HELEN WITHOUT	826.0	807.0	804.3
SHELLINGFORD	79.0	79.8	78.6
SHRIVENHAM	983.0	975.8	967.1
SOUTH HINKSEY	168.0	179.8	179.1
SPARSHOLT	136.0	150.9	147.2
STANFORD IN THE VALE	900.0	825.3	828.5
STEVENTON	657.0	604.5	588.9
SUNNINGWELL	373.0	440.8	431.6
SUTTON COURTENAY	1,051.0	962.2	948.0
UFFINGTON	325.0	323.1	325.5
UPTON	177.0	210.1	209.3
WANTAGE	5,038.0	4,158.1	4,093.0
WATCHFIELD	814.0	752.8	755.7
WEST CHALLOW	82.0	89.6	88.0
WEST HANNEY	224.0	243.1	242.4
WEST HENDRED	148.0	160.5	159.7
WOOLSTONE	60.0	78.3	78.3
WOOTTON	1,183.0	1,151.9	1,146.3
WYTHAM	69.0	74.1	73.4
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TOTAL	51,928	46,640.5	45,964.9