

# Cabinet Report



Report of Head of Finance

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To: Cabinet on: 5 December 2013

To: Council on: 12 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 South Oxfordshire District Council as its council tax base for the year 2014/15 be 53,217.1
4. That, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by South Oxfordshire 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 5 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 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 236 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 53,217.1.
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 20 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

PARISH COUNCIL TAX BASES - 2014-15

PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2014-15	PARISH TAX BASE 2014-15	PARISH TAX BASE 2013-14	PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2014-15	PARISH TAX BASE 2014-15	PARISH TAX BASE 2013-14
Adwell	13	12.8	13.7	Sandford on Thames	584	491.2	486.8
Aston Rowant	347	421.6	416.5	Shiplake	679	889.6	879.8
Aston Tirrold	147	170.3	171.1	Shirburn	55	58.9	54.7
Aston Upthorpe	71	82.2	80.3	Sonning Common	1,595	1,549.3	1,535.0
Beckley & Stowood	248	272.3	274.6	South Moreton	144	137.8	135.1
Benson	1,742	1,691.3	1,706.0	South Stoke	213	219.5	217.9
Berinsfield	1,101	626.6	615.2	Stadhampton	322	322.4	316.1
Berrick Salome	121	158.3	161.6	Stanton St John	188	216.4	215.9
Binfield Heath	276	309.6	305.2	Stoke Row	263	297.7	307.0
Bix & Assendon	254	323.2	320.2	Stoke Talmage	22	27.3	28.3
Brightwell Baldwin	82	99.0	98.7	Swyncombe	117	133.2	136.4
Brightwell cum Sotwell	613	639.6	637.0	Sydenham	147	153.4	150.7
Britwell Salome	87	99.0	101.7	Tetsworth	291	284.4	279.5
Chalgrove	1,126	1,028.1	1,028.5	Thame	4,979	4,225.7	4,195.8
Checkendon	205	229.3	227.3	Tiddington with Albury	276	265.2	260.4
Chinnor	2,532	2,314.6	2,267.0	Toot Baldon	57	70.6	69.9
Cholsey	1,597	1,426.6	1,337.5	Towersey	176	176.0	170.4
Clifton Hampden	250	277.9	277.2	Wallingford	3,442	2,669.0	2,650.2
Crowell	47	58.2	57.1	Warborough	435	469.4	466.5
Crowmarsh	691	650.4	617.4	Waterperry with Thomley	68	76.5	77.7
Cuddesdon & Denton	199	161.1	164.2	Waterstock	40	42.9	44.3
Culham	169	170.8	167.0	Watlington	1,208	1,115.6	1,117.6
Cuxham with Easington	60	59.6	57.6	West Hagbourne	113	121.8	117.9
Didcot	10,423	7,757.4	7,551.0	Wheatfield	11	12.8	13.9
Dorchester	476	520.9	527.8	Wheatley	1,742	1,611.4	1,601.5
Drayton St Leonard	116	128.4	126.2	Whitchurch on Thames	335	393.0	389.3
East Hagbourne	803	738.2	724.8	Woodcote	1,033	1,011.0	997.3
Elsfield	48	53.9	53.3	Woodeaton	30	38.8	38.8
Ewelme	426	368.6	370.2				
Eye & Dunsden	148	176.2	177.6	<b>TOTAL</b>	<b>57,491</b>	<b>53,217.1</b>	<b>52,607.0</b>
Forest Hill with Shotover	365	325.6	328.0				
Garsington	760	668.0	665.5				
Goring	1,491	1,681.4	1,653.0				
Goring Heath	494	582.8	583.4				
Great Haseley	237	247.9	248.9				
Great Milton	334	307.5	304.5				
Harpsden	210	296.3	303.0				
Henley on Thames	5,739	5,536.7	5,493.0				
Highmoor	133	159.2	160.3				
Holton	240	229.4	231.5				
Horspath	613	592.5	594.9				
Ipsden	150	161.7	160.8				
Kidmore End	516	662.5	662.2				
Lewknor	280	295.8	291.9				
Little Milton	207	211.2	211.6				
Little Wittenham	28	34.3	34.3				
Long Wittenham	359	344.4	340.6				
Mapledurham	130	122.8	122.5				
Marsh Baldon	119	125.2	124.7				
Moulsford	215	249.6	243.9				
Nettlebed	331	348.2	344.6				
Newington	47	54.9	55.5				
North Moreton	139	175.4	173.7				
Nuffield	217	227.9	225.4				
Nuneham Courtenay	87	85.7	87.7				
Pishill with Stonor	146	187.5	187.5				
Pyrton	91	108.6	110.1				
Rotherfield Greys	152	197.7	195.2				
Rotherfield Peppard	678	889.6	880.6				