

Report to Director of Delivery

11 December 2018

**CALCULATION OF COUNCIL TAX BASE – 2019/20
(Chief Officer Customer Experience)**

1 PURPOSE OF REPORT

1.1 The Council is required to consider and approve the calculation of the Council Tax Base which has to be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012.

1.2 Council Tax Discounts

1.2.1 The Council Tax discount granted in 2019/20 for properties which are nobody's sole or main residence (commonly referred to as "second homes") will remain at 0%.

1.2.2 The Council Tax discount granted in 2019/20 for properties that are empty and substantially unfurnished will remain at 0%.

1.2.3 The Council Tax discount granted in 2019/20 for properties requiring or undergoing major repair or structural alterations will remain at 0%.

1.2.4 The amount of Council Tax payable for long-term empty dwellings which have been unoccupied and substantially unfurnished for a continuous period of at least 2 years will continue to attract a 50% premium.

1.3 Council Tax Support Scheme

1.3.1 The Council Tax Support Scheme will remain as an income based assessment

1.3.2 There will be eight bands:

7 bands will be based on weekly net income:

- Band 1: 75% discount for households earning up to £80 or in receipt of a passported benefit
- Band 2: 70% discount for households earning £80.01 - £140.00
- Band 3: 60% discount for households earning £140.01 - £200.00
- Band 4: 50% discount for households earning £200.01 - £260.00
- Band 5: 40% discount for households earning £260.01 - £320.00
- Band 6: 30% discount for households earning £320.01 - £380.00
- Band 7: 20% discount for households earning £380.01 - £440.00

1.3.3 Where a claimant would normally be assessed as being in Income bands 1-7 but the claimant falls into a vulnerable group, the claimant will fall into the eighth protected band and receive 80% discount. A vulnerable group is defined as where either the applicant or in the case of a couple their partner count as disabled or long term sick and their incomes

trigger an award of Disability Premium, Enhanced Disability Premium or Severe Disability Premium

2 RECOMMENDATIONS

- 2.1 That in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated by the Bracknell Forest Borough Council as its Council Tax Base for 2019/20**
- 2.2 That in accordance with the Local Government Act 2003, and in the circumstances provided for in subsequent regulations no locally defined discounts are created in 2019/20.**

3 REASONS FOR RECOMMENDATION(S)

- 3.1 The tax base is required to calculate the relevant Council Tax per property when approving the annual budget for 2019/20.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options available.

5 SUPPORTING INFORMATION

5.1 Calculation of the Tax-base

The Council is required under the Local Authorities (Calculation of Council Tax Base) Regulations 2012 to classify all dwellings in the Borough into the appropriate category of Bands A to H, according to their valuation. It must then apply the stated percentages to calculate the “relevant amount”, i.e. the number of Band D equivalent properties for 2019/20 for each valuation band. The Band D percentages to calculate the number of Band D equivalent properties is listed below:-

Band A	66.6%
Band B	77.7%
Band C	88.8%
Band D	100%
Band E	122.2%
Band F	144.4%
Band G	166.6
Band H	200%

- 5.1.1 Regulation 3 of these regulations then requires the Council to multiply the “relevant amount” by the assumed collection rate, to ascertain the Council Tax Base for the year. The collection rate makes allowance for both new properties and general losses such as

additional discounts and exemptions.

5.2 Locally Determined Discounts

- 5.2.1 There are currently 17 different circumstances where residents are not counted for Council Tax purposes, including certain full time students, the severely mentally impaired, patients in homes and carers. Where there is only one other adult resident in the property, apart from the person who is not counted, a 25% discount will apply. Where all the adult residents are not counted, the discount is 50%.
- 5.2.2 There are also 21 different reasons for granting complete exemption to taxpayers, including those occupied only by full time students or those left empty by persons living elsewhere to receive care.
- 5.2.3 The Local Government Act 2003 provides that billing authorities have the power to grant locally defined discounts. Examples provided by the Government where a local discount may be created include as a result of local events such as flooding or natural disasters, or because of an outbreak of the foot and mouth disease.
- 5.2.4 That working age households who apply for Local Council Tax Benefit will only be awarded backdated Local Council Tax Benefit for a maximum of three months from date of application if there was good cause as to why they did not make an earlier application

5.3 New Properties

- 5.3.1 Information gathered from various sources indicates that the following allowances should be made for new properties occupied during the period to 31 March 2020, equating to full year band "D" equivalents:-

Binfield	59.3
Bracknell	275.3
Crowthorne	78.3
Sandhurst	60.4
Warfield	102.8
Winkfield	<u>77.9</u>
Total	<u>654.0</u>

5.4 General Losses

- 5.4.1 An allowance of 0.45% has been provided for losses due to additional discounts and exemptions, empty properties (voids), valuation appeals, absconds and bankruptcies. This is a value judgement based on past experience of Council Tax collection together with management information, which shows a gradual increase in the number of properties occupied by a single person and the number of households falling into arrears.

5.5 Council Tax Reduction Scheme

Unrestricted

- 5.5.1 The Welfare Reform Act 2012 abolished the national Council Tax Benefit Scheme from 31 March 2013, replacing the national scheme with a localised Council Tax Reduction Scheme.
- 5.5.2 The Council Tax Reduction Scheme forms part of a billing authority's Council Tax base.
- 5.5.3 For 2019/20 the cost of the Council Tax Reduction Scheme has been apportioned between the minor precepting authorities based upon the amounts of Council Tax Reduction granted in 2018/19 and adjusted to reflect the new scheme. The reduction in Band D equivalents are as follows:-

Binfield	88.1
Bracknell	1754.9
Crowthorne	86.2
Sandhurst	275.3
Warfield	137.4
Winkfield	<u>202.7</u>
Total	<u>2544.6</u>

5.6 The Calculated Tax Base

- 5.6.1 Appended to this paper are the calculations in accordance with the Regulations for each parish within Bracknell Forest Borough Council. Lines 1 to 16 show the calculation of the "relevant amounts" with allowances for general losses and new properties being in lines 17 and 18. Line 19 is the estimate of the total amount to be applied under the Council Tax Reduction Scheme.
- 5.6.2 These calculations give the following Tax Base for 2019/20 for each parish, making a total of 45,571 for Bracknell Forest Borough Council. The Tax Base for the current year, 2018/19, is shown for comparative purposes.

	Tax Base 2018/19	Tax Base 2019/20
Binfield	3,855	3,957
Bracknell	19,209	19,371
Crowthorne	2,764	2,736
Sandhurst	7,854	7,883
Warfield	4,801	4,838
Winkfield	6,815	6,788
	<u>45,298</u>	<u>45,573</u>

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1

Borough Treasurer

6.2

7 Consultation

Principal Groups Consulted

7.1 There is no requirement to consult.

Method of Consultation

7.2 N/A

Representations Received

7.3 N/A

Contact for further information

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