

Report to:	EXECUTIVE CABINET
Date:	18 December 2019
Executive Member:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth)
Reporting Officer:	Ilys Cookson – Assistant Director Exchequer Services
Subject:	COUNCIL TAX BASE 2020-21
Report Summary:	The law requires that the calculation of the Council Tax base for tax setting must be made between 01 December and 31 January. The Calculated Tax Base is used to estimate the value of Council tax income.
Recommendations:	<p>It is recommended that pursuant to the figures set out in the Report of the Assistant Director of Exchequer Services, and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012</p> <ol style="list-style-type: none"> 1. the amount calculated by Tameside Metropolitan Borough Council as its Council Tax base for the year 2020/2021 shall be 63307.9 2. the amount calculated by Tameside Metropolitan Borough Council as the tax base for the Town Council of Mossley for the year 2020/2021 shall be 3492.
Corporate Plan:	The calculation of the Council Tax Base is a statutory requirement.
Policy Implications:	The Council has a statutory requirement to set the Council Tax Base between 01 December 2019 and 31 January 2020.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The Council Tax Base calculation is a key part of the annual budget cycle and determines the level of Council Tax income that the Council can raise in the upcoming financial year, subject to agreement of the amount of Council Tax to be charged for each dwelling. Failure to set the Council Tax Base for 2020/21 would prevent the Council from setting its budget.
Legal Implications: (Authorised by the Borough Solicitor)	The Local Government Finance Act 1992 requires a billing authority to calculate the Council Tax base for tax setting between the 1 December 2019 and 31 January 2020.
Risk Management:	Every effort has been made to ensure information used is as accurate as possible to ensure that the calculation is as accurate as possible.
Access to Information:	The background papers relating to this report can be inspected by contacting the report writer Tracey Watkin.
Background Information:	The background papers relating to this report can be inspected by contacting Tracey Watkin, Service Unit Manager, Exchequer Services.

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1. INTRODUCTION

- 1.1 A billing authority is required to calculate the council tax base for its area and notify the figure to the major precepting authorities in the period 01 December to 31 January in the preceding financial year in England.

2. THE CALCULATION

- 2.1 The Local Government Finance Act 1992 requires a billing authority to calculate the basic amount of its council tax by calculating its budget requirement less any grants divided by its tax base.
- 2.2 The tax base is calculated by multiplying its best estimate of the number of Band D equivalent properties by its estimate of the collection rate for that year.
- 2.3 The first stage of the calculation is to calculate the tax base as it currently is.
- 2.4 To do this, we calculate the number of properties on the most recent valuation list available, in this case 07 October 2019. The valuation list is compiled and maintained by the independent Valuation Office Agency and is used as the basis of the calculation.
- 2.5 Then, we deduct all the various reliefs that are currently awarded, which result in the full council tax charge being reduced. This means that we calculate the current numbers of exempt properties, those subject to disabled relief and all properties, which are subject to a single person discount.
- 2.6 Currently properties which remain empty for more than 2 years are required to pay an additional 50% Council Tax, and this is reflected in the attached calculation sheets.
- 2.7 The Executive Cabinet considered a proposal in February 2019 to increase the charges for properties that are empty for more than 2 years in accordance with new legislation contained in Section 11B of the Local Government Finance Act 1992 amended by Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018. The increase in charge for Council Tax will be determined by the length of time that the property has remained empty. This was agreed by Executive Cabinet, and took effect from 1 April 2019.
- 2.8 The next factor is new buildings. These are properties, which are currently under construction, but not yet in the valuation list. An estimate is made of the likely Council Tax band they will be classified in, and the date they are likely to be occupied and therefore subject to council tax.
- 2.9 A further adjustment is made for un-banded properties. These are new properties, which have been completed but have not yet been listed in the valuation list. Again an estimate of the likely valuation band is made.
- 2.10 Awards under the Council Tax Support Scheme are a Council Tax discount and therefore affect the tax base. The cost of the scheme at April 2019 was £13.8m and this cost is equated to the number of equivalent properties by band, but does not include a cost of proposed Council Tax level to be set for 2020/21.
- 2.11 All of the adjustments are totalled and added to the current tax base in order to give our best estimate for the forthcoming financial year.
- 2.12 The total number of properties in all bands must then be converted into Band D equivalents to arrive at the tax base.

2.13 One final adjustment to the tax base is made in respect of the collection rate. In 2020/2021 the collection rate is forecast to be 98%

3. THE ACTUAL CALCULATION

3.1 The tables set out in **Appendix 1** show the calculations in accordance with the requirements of the law.

4. RESOURCE IMPLICATIONS

4.1 Once the budget calculation of the Authority has been set the tax base will be used to determine the Council Tax charges for 2020/2021.

5. SUMMARY

5.1 The calculation of the authority tax base for Council Tax setting purposes gives an estimated Band D equivalent of 64599.9. There are no Ministry of Defence properties in Tameside. An estimated collection rate of 98% gives a Council Tax base of 63307.9

5.2 The calculation of the Mossley Parish tax base for Council Tax setting purposes gives an estimated Band D equivalent of 3563.3 as there are no Ministry of Defence properties in Mossley we use an estimated collection rate of 98% and this gives a Council Tax base of 3492.

6. RECOMMENDATIONS

6.1 As stated at the front of this report.