

**REPORT OF:** **FINANCIAL SERVICES**  
**FINANCIAL SERVICES MANAGER**

**TO:** **EXECUTIVE**

**DATES:** **10<sup>th</sup> DECEMBER 2015**

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## **COUNCIL TAX BASE 2016/17**

### **PURPOSE OF REPORT**

1. The purpose of this report is to seek approval of the Council Tax Base for 2016/17 (inclusive of the tax base for each part of the area to which parish precepts relate).

### **RECOMMENDATIONS**

2. It is recommended that the Executive,
  - (a) In accordance with the Local Authorities (Calculation of Tax Base)(England) Regulations 2012, agree that the amount calculated by the Borough of Pendle as its council tax base for the year 2016/17 shall be **23,171.3** and that the tax base for Parish areas shall be as shown at [Appendix B](#).

### **REASONS FOR RECOMMENDATION**

3. To agree the Council's Tax Base for 2016/17.

### **ISSUE**

4. The Executive approves the formal calculation and setting of the annual council tax base which is used in the budget cycle to set the amount of council tax for the Borough. The council tax base must be set by 31st January for the following financial year.
5. The Council is required to calculate the tax base for the Borough as a whole. It is also required to make separate calculations for those parts of the Borough to which Town and Parish precepts relate. There are two main components used in a tax base calculation:-
  - a) the estimated number of domestic properties in the Borough (or the parish area where applicable) multiplied by appropriate discount and banding factors;
  - b) the estimated collection rate of council tax for the year.

## ***Calculation of Borough Tax Base - Property Banding Base***

6. A Valuation List for the Borough has been compiled by the Listing Officer (Valuation Office Agency) and the list used for Revenue Support Grant purposes reflects changes made up to 5<sup>th</sup> October 2015. This list shows the banding of each property for the eight valuation bands prescribed by legislation.
7. The bands, based on market values at 1<sup>st</sup> April 1991 are as follows:-

<b>Valuation Band</b>	<b>Range of Values</b>
A	Up to and including £40,000
B	£40,001 to £52,000
C	£52,001 to £68,000
D	£68,001 to £88,000
E	£88,001 to £120,000
F	£120,001 to £160,000
G	£160,001 to £320,000
H	More than £320,000

8. The Valuation List details are further analysed to take account of claims for discounts, exemptions and relief for the disabled. Banding ratios are then applied to the net totals in each band to give the total of Band D equivalent properties.
9. The total of 28,476.0 (28,186.2 in 2015/16) has been notified to the Department of Communities and Local Government (CLG) and is expected to be used in the provisional calculation of the Council's retained Business Rates income for 2016/17. The analysis shown at [Appendix A](#) reflects the updated tax base of 28,422.2 as at 30<sup>th</sup> November 2015 as per statutory requirements. The variation between the tax base used by CLG for grant purposes and the Council's tax base reflects the different assumptions on discounts and other local factors.

## ***Changes to Council Tax Discounts***

10. No changes are proposed for next year in relation to council tax discounts. Changes were made, when setting the budget for the current year, to remove specific discounts where dwellings are vacant and substantially unfurnished or where they have undergone or need major repairs.

## ***Council Tax Support***

11. Councillors will be aware that the financial support provided to eligible residents to help them pay their Council Tax (known as the Localised Council Tax Support Scheme) is treated as a discount and reduces the council tax liability. The draft scheme for 2016/17 is presented elsewhere on this agenda prior to consideration by Council in December. The report recommends that, subject to annual uprating of allowances/disregards in line with changes in applicant's income levels, the current scheme of Council Tax Support should remain unchanged.
12. On the basis of the estimated amount of Council Tax Support to be provided in 2016/17, the Council's tax base has been reduced by 4,114 Band D equivalent properties (4,384.7 in 2015/16). This is shown in Table 1 below:-

**Table 1: Council Tax Support Taxbase Adjustment**

	£
Estimated Net Cost of Council Tax Support (a)	6,941,527
Estimated Band D Council Tax for 2016/17 (b)	1,687.29
<b>Taxbase Equivalent of Council Tax Support (a/b)</b>	<b>4,114.0</b>

**Calculation of Borough Tax Base**

13. It is normal practice to adjust the initial calculation of the Council Taxbase by an amount to cover the costs of non-collection of Council Tax. This is generally referred to as the Collection Rate. There is no set rule for estimating the collection rate although the Council's past estimates have been based on an achievable collection rate. Any under or over estimates are an increase or decrease to the final Council Tax figure so it is prudent to ensure that we under estimate rather than over estimate, particularly in the current economic climate as collection is likely to be affected by the difficulties in the local and national economy.
14. Table 2 below shows the calculation of the Council's Taxbase adopting an estimated collection rate of 96% (being actual performance for 2014/15), representing an increase of 0.2% on the rate for the current year.

**Table 2: Council Tax Base for 2016/17**

	Gross Taxbase	Collection Rate %	Net Taxbase
Taxbase before Council Tax Support Discount	28,422.2	96.0%	27,285.3
less Council Tax Support Discount			(4,114.0)
<b>Taxbase for 2016/17</b>			<b>23,171.3</b>

**Calculation of Town and Parish Tax Bases**

15. Each Parish or Town Council which can issue a precept must also have a tax base calculated for its area. The valuation list information for each area has been analysed in a similar form to that shown above for the Borough and the appropriate adjustments have been made for the Council Tax Support Scheme and any other changes referred to above. Details of the total Band D equivalent number for each parish are shown in [Appendix B](#).
16. For the purposes of calculating the Taxbase figures, the same collection rate as for the Borough tax base must also be used in these calculations.

**IMPLICATIONS****Policy**

17. There are no policy implications arising directly from the contents of this report.

**Financial**

18. The financial implications are generally as shown in the report.

## **Legal**

19. There are no legal implications arising directly from the contents of this report.

## **Risk Management**

20. There are no risk management implications arising directly from the contents of this report.

## **Health and Safety:**

21. There are no health and safety issues arising directly from the contents of this report.

## **Climate Change:**

22. There are no climate change or sustainability issues arising directly from the contents of this report.

## **Community Safety:**

23. There are no community safety issues arising directly from the contents of this report.

## **Equality and Diversity:**

24. There are no equality and diversity issues arising directly from the contents of this report.

## **APPENDICES**

Appendix A – Pendle Borough Council - Council Tax Base 2016/17

Appendix B – Council Taxbase figures for Town and Parish Councils

## **LIST OF BACKGROUND PAPERS**

None

## Appendix A

### *Borough Tax Base Details as at 30<sup>th</sup> November 2015*

	A- No.	A No.	B No.	C No.	D No.	E No.	F No.	G No.	H No.	Total
<b>Full</b>	66	12,490	2,879	3,050	2,357	1,358	776	412	32	23,420
<b>75%</b>	25	10,299	1,429	1,088	665	307	131	69	5	14,018
<b>50%</b>	0	7	6	8	11	9	12	7	2	62
<b>2<sup>nd</sup> Homes – Discount 0%</b>	0	113	19	12	9	9	5	1	1	169
<b>Empty – Discount 0%</b>	0	957	102	92	52	30	10	8	0	1251
<b>Empty – Discount 50%</b>	0	0	0	0	0	0	0	0	0	0
<b>Empty – Discount 0% - 100%</b>	0	0	0	0	0	0	0	0	0	0
<b>Empty – Premium +50%</b>	0	309	23	16	17	7	2	0	1	375
<b>Exempt</b>	0	495	66	42	40	11	3	5	0	662
<b>Total</b>	<b>91</b>	<b>24,670</b>	<b>4,524</b>	<b>4,308</b>	<b>3,151</b>	<b>1,731</b>	<b>939</b>	<b>502</b>	<b>41</b>	<b>39,957</b>
<b>Equivalent</b>	84.8	21751.2	4109.2	3998.0	2947.8	1642.2	898.3	476.2	39.2	
<b>Factor</b>	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
<b>Band D Equivalent</b>	<b>47.1</b>	<b>14,500.8</b>	<b>3,196.0</b>	<b>3,553.8</b>	<b>2,947.8</b>	<b>2,007.1</b>	<b>1,297.5</b>	<b>793.7</b>	<b>78.4</b>	<b>28,422.2</b>

## Appendix B

Parish Area	Tax Base at 96.0% Collection
Barley	128.50
Barnoldswick	2,944.70
Barrowford	2,109.10
Blacko	298.30
Bracewell & Brogden	118.00
Brierfield	1,963.80
Colne	4,429.70
Earby	1,207.00
Foulridge	565.50
Goldshaw Booth	113.80
Higham	352.70
Kelbrook & Sough	340.90
Laneshawbridge	300.80
Nelson	5,722.90
Old Laund Booth	616.40
Reedley Hallows	667.90
Roughlee	156.10
Salterforth	253.10
Trawden Forest	882.10
<b>Total</b>	<b>23,171.3</b>