

Chichester District Council

THE CABINET

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Determination of the Council Tax Base for 2019-2020

1. Contacts

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2. Executive Summary

The purpose of this report is to set the taxbase for the 2019-2020 financial year. The taxbase is effectively an estimate of the number of council tax dwellings in the district. This is adjusted for the effect of the discounts and exemptions, properties being in different valuation bands, expressed as the number of band D equivalent dwellings in the district. This figure is then adjusted for the assumed collection rate.

Appendices 1 and 2 to this report show details of the taxbase for the district and the taxbase relevant to each parish.

Grants to parish councils in relation to the Council Tax Reduction scheme will be made in accordance with the principles agreed by the Cabinet on 12 July 2016. The figures are shown in appendix 3 to this report.

3. Recommendation

3.1. In order to comply with section 35 of the Local Government Finance Act 1992, that the following resolutions are made:

- (i) No item of expenditure shall be treated as 'special expenses' for the purposes of section 35 of the Local Government Finance Act 1992;**
- (ii) This resolution shall remain in force for the 2019-2020 financial year;**
- (iii) The calculation of the Council's taxbase for the year 2019-2020 be approved;**
- (iv) The amounts calculated by the Council as its council taxbase for the year 2019-2020 for its area and each part of its area shall be those set out in appendices 1 and 2 to this report;**

- (v) **In order to offset some or all of the costs of Council Tax Reduction to local precepting authorities (parish councils), a grant be distributed as outlined in appendix 3 and described in paragraph 6.3 of this report.**

4. Background

- 4.1. The taxbase is a measure of the taxable capacity of the district and is set during the period 1 December to 31 January. Parish councils, West Sussex County Council and the Police Authority are then notified of the proposed taxbase for the area relevant to them. As the billing authority, the District Council is then responsible for the payment of precepts from the collection fund or general fund for levies and parish precepts.

5. The Taxbase Calculation

- 5.1. The Council taxbase represents the estimated full year number of chargeable dwellings in the area expressed as the equivalent number of band D dwellings. The taxbase calculations are based upon the numbers by council tax band in the Valuation List, plus the estimated new dwellings likely to enter the Valuation List during 2019/20. The result is adjusted for applicable discounts, exemption and reductions. The figure of chargeable dwellings is further adjusted by an estimated collection rate of 99% (see paragraph 6.1 below).
- 5.2. Since 1 April 2013 the taxbase calculation for the District also takes account of our Council Tax Reduction (CTR) scheme. Properties where the resident will be in receipt of 100% CTR are fully disregarded in this calculation and pro rata for those on lower amounts.
- 5.3. A summary of the taxbase of each parish is shown in appendix 2.

6. Proposal

- 6.1. **Collection Rate:** An assumed 'collection rate' is used when calculating the tax base. In determining the rate a number of factors are taken into consideration including losses in income through council tax banding reductions, absconds and backdated awards of discounts and exemptions. In view of the changes to both council tax discounts and exemptions, and the introduction of localised Council Tax Reduction schemes, the assumed collection rate since 2013/14 has been set at 99%. It is proposed to continue with a 99% collection rate for 2019/20 calculations.
- 6.2. **Special Items:** Special expense items are those that relate to a part only of the District Council's area. The determination of such special expenses would necessitate the creation of a special expense area, which could be the whole of a parish, within a parish or across parish boundaries. No such areas have been determined previously and it is recommended that the Cabinet resolve that any special expenses should be treated as general expenses for tax setting purposes.
- 6.3. **Allocation of grant to Parish Councils:** At its meeting on 12 July 2016 Cabinet resolved that the principle of making a grant to parish councils in relation to the Council Tax Reduction scheme be continued but that it would be tapered down to be withdrawn altogether by the end of 2019/20. The grant to

parishes was a specific amount for 2013/14 (£194,000). However, from 2014/15 the amount was subsumed into our overall Revenue Support Grant. Since then the payment of the grant to parishes has continued but is reduced each year by the same percentage as the reduction in general grant funding for the Council. The Revenue Support Grant to this Council ceased after 2017/18 and the parishes have been given notice that the grant will be tapered down each year and withdrawn altogether by the end of 2019/20. The figures for the 2019/20 financial year are shown in appendix 3.

7. Alternatives that have been considered

- 7.1. No alternatives have been considered for this report due to the legal requirement to set a taxbase.

8. Resource and legal implications

- 8.1 The Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended) requires the billing authority to calculate the taxbase for its area and notify the figure to the precepting authorities in the period 1 December to 31 January in the preceding financial year. A delay in notifying the taxbase to precepting authorities could impact on their ability to set their budgets in time for setting council tax which must be set before 11 March in the financial year preceding that for which it is set.

9. Consultation

- 9.1. This report has not been subject to consultation.

10. Community impact and corporate risks

- 10.1. The corporate risk of an inaccurate tax base is that there is potential for the collection fund to be in deficit or surplus.
- 10.2. Since April 2013 we and the precepting authorities have seen a reduction in tax base resulting from the implementation of the council tax reduction scheme. The income generated from reducing locally defined discounts has helped to off-set this loss.

11. Other Implications

	Yes	No
Crime & Disorder:		X
Climate Change:		X
Human Rights and Equality Impact:		X
Safeguarding and Early Help:		X
General Data Protection Regulations (GDPR)		X
Other		X

12. Appendices

Appendix 1 - Taxbase for the District of Chichester 2019/20

Appendix 2 - Taxbase for each Parish within the District 2019/20

13. Background Papers

13.1. None