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Dear Member

COUNCIL - THURSDAY, 7 DECEMBER 2017

I am now able to enclose, for consideration at the Thursday, 7 December 2017 meeting of the Council, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
16.	Council Tax Base 2018/2019	(Pages 248 - 257)

Yours sincerely

June Gurry
Clerk



Meeting: Council

Date: 7 December 2017

Wards Affected: All Wards

Report Title: Council Tax Base 2018/19

Is the decision a key decision? Yes

When does the decision need to be implemented? As soon as possible

Executive Lead Contact Details: Elected Mayor, 01803 207001,
mayor@torbay.gov.uk

Supporting Officer Contact Details: Martin Phillips, 01803 207285 and
Martin.Phillips@torbay.gov.uk

1. Proposal and Introduction

- 1.1 The Council is required to determine its Tax Base for Council Tax purposes for 2018/19 during the period 1 December 2017 to 31 January 2018 and the level of Council Tax subsequently set must use this base figure. A Tax Base calculation is provided in Appendix 1 for an appropriate decision to be made.
- 1.2 The Council, as a billing authority, is required to calculate a separate Tax Base for the Brixham Town Council area. A Tax Base calculation for the area is provided in Appendix 2 for an appropriate decision to be made.

2. Proposed Decision

- 2.1 That the calculation of the Council Tax Base for the year 2018/19 be approved as shown in Appendix 1 to the submitted report.
- 2.2 That the calculation of the Brixham Town Council Tax Base for the year 2018/19 be approved as shown in Appendix 2 to the submitted report.
- 2.2 That the creation of an additional class of local discretionary council tax discount of up to 100% for care leavers, (that were in care in the Torbay area), up to 25 years of age with effect from 1 April 2018 be approved; and that the policy for the eligibility criteria for the scheme is delegated to Head of Finance, in consultation with the Elected Mayor.
- 2.3 That the Head of Finance, in consultation with the Elected Mayor, be given delegated authority to approve an increase in empty homes premium from 50% to 100% (subject to legislation being passed) with effect from 1 April 2018.

- 2.4 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as its Council Tax base for the year 2018/19 should be 44,865.89. (Dependant on approval of 2.1).**
- 2.5 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as the Council Tax base for Brixham Town Council for the year 2018/19 should be 6,004.42. (Dependant on approval of 2.2).**
- 3. Reason for Decision**
- 3.1 The calculation of the Council Tax Base for both Torbay and Brixham Town Council is a statutory requirement in the budget setting process.

For more detailed information on this proposal please refer to the supporting information.

Supporting Information

4. Position

A1. Taxbase

- A1.1 The Council is required by the 31st January to establish a base figure for the purpose of setting the level of Council Tax each year – the “Tax Base”. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- A1.2 The Regulations require this calculation to be made between 1st December 2017 and 31st January 2018 and for this figure to be notified to precepting authorities by the 31st January 2018. For the year commencing 1st April 2018 these will be the major precepting authorities of Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and as a local precepting authority, Brixham Town Council.
- A1.3 Torbay Council, together with Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and Brixham Town Council are required to use the tax base calculated by Torbay Council, as the billing authority, to determine their basic amounts of Council Tax for 2018/19.
- A1.4 The calculation of the tax base is prescribed by statute. It reflects the aggregate of the “relevant amounts” for each valuation band (including the impact from Council Tax Support Scheme) multiplied by the anticipated collection rate for the year. The calculation for the Council’s tax base is shown in Appendix 1 and the calculation for Brixham Town Council is shown in Appendix 2.
- A1.5 The calculation of the relevant amount begins with the actual number of dwellings on the “relevant date”. For 2018/19 this is the 30th November 2017 and this is the date that must be used. This number is adjusted to make allowance for estimated variations to the list in the course of the year and for the impact of allowed discounts to certain classes of dwellings.

- A1.6 The impact of the Council Tax Support Scheme including the impact of the exceptional hardship scheme, which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions divided by the estimated Council Tax for that band.
- A1.7 These are then converted into Band “D” equivalents to produce the “relevant” amounts prescribed by the Regulations.
- A1.8 The billing authority then estimates its Council Tax Collection Rate, which is the percentage of 2018/19 Council Tax demands which it predicts will be paid into the Collection Fund during 2018/19. The in year Collection rate estimated for 2018/19 is 96.0% and this is reflected in the Tax Base calculation. Any tax collected in excess of 96.0% for the billing year 2018/19 and prior years will be reflected in the annual Collection Fund surplus.
- A1.9 The calculated Council's tax base for 2018/19 of 44,865.89 compares with the 2017/18 tax base of 44,049.22 a 1.9% increase. This increase reflects the growth in the number of properties, which may be either new build or older properties, adapted and brought back in to use offset by the number of dwellings subject to an exemption, discount or a reduction and the impact of the Council Tax Support Scheme.
- A1.10 For the calculation of the council tax due to Brixham Town Council a Tax Base must be determined by Torbay Council, as the billing authority. The tax base for Brixham Town Council is and the calculation is shown in Appendix 2.
- A1.11 The calculated Brixham Town Council's tax base for 2018/19 of 6,004.42 compares with the 2017/18 tax base of 5,900.83 a 1.8% increase.

A2 Technical Adjustments

- A2.1 Within the taxbase calculation there are a number of exemptions and discounts for certain categories of dwellings. Some of these are set by central government and some the Council has discretion over. Separate to the Council Tax Support Scheme there are 2 changes proposed for 2018/19.
- (i) The creation of an additional class of local discretionary council tax discount, of up to 100% for care leavers (that were in care in the Torbay area), up to 25 years of age with effect from 1st April 2018. This recommendation is linked to the Council's decision on 2nd February 2017 to support a motion to exempt all care leavers from Council Tax. Further details on the issue are included in Appendix Three.
 - (ii) The Autumn Budget in November 2017, as part of a wide range of housing proposals, announced the intention to enable Councils to increase the Council Tax Empty Homes Premium from 50% to 100%. It is recommended that this is approved with effect from 1st April 2018. There are approximately 300 dwellings currently within the 50% premium that will be impacted by this change. This recommendation is subject to the required legislation being passed. As a result any financial implication of this change has not been included in the taxbase 2018/19 calculation.

3. Possibilities and Options

3.1 None – calculation of taxbase is based on statute.

4. Fair Decision Making

4.1 Not applicable

5. Public Services (Social Value) Act 2012

5.1 Not applicable

6. Risks

6.1 If taxbase not approved by end of January 2018 then the Council is unable to set a budget and this will impact on other precepting bodies.

7. Appendices

Appendix 1	The calculation of Torbay Council Tax Base 2018/19
Appendix 2	The calculation of Brixham Town Council Tax Base 2018/19

CALCULATION OF COUNCIL TAXBASE - 2018/19

Appendix 1

30th November 2017 - "Relevant date"

TORBAY COUNCIL		TAX BASE CALCULATION								2018/2019			
		BAND A <small>with disabled relief</small>	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL		
(H)	CHARGEABLE DWELLINGS FOR BAND	19.00	13,330.00	17,374.00	16,397.00	10,149.00	5,044.00	2,338.00	1,219.00	107.00	65,977.00		
(Q)	Total Discounts	2.50	2,275.55	1,824.50	1,367.50	719.75	295.50	137.50	73.75	6.00	6,702.55		
(E)	Long Term Empty Premium	-	70.00	37.00	16.00	13.50	6.50	3.50	1.50	1.50	149.50		
(J)	Total Adjustments	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	300.00		
(Z)	Local Council Tax Scheme Reductions	0.00	3,345.72	2,913.76	1,739.94	770.91	127.23	38.18	8.85	0.69	8,945.29		
	TOTAL DWELLINGS	16.50	7,778.73	12,672.74	13,305.56	8,971.84	4,627.77	2,165.82	1,137.90	101.81	50,778.66		
(F)		$\frac{5}{9}$	$\frac{6}{9}$	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$			
(G)	Ratio to Band D												
(A)	RELEVANT AMOUNTS' for 2018/2019	((H-Q+E+J)-Z) x (F divided by G)		9.20	5,185.80	9,856.60	11,827.20	8,971.80	5,656.20	3,128.40	1,896.50	203.60	46,735.30
		[Section 4 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]											
(B)	COLLECTION RATE											96.0%	
		[Section 3 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]											
	TAX BASE - (A) x (B)											44,865.89	

Supporting Information

Service / Policy:	Council Tax Exemption for Care Leavers
Director:	Bob Clark, Executive Head Community and Customer Services, 01803 207420. Bob.clark@torbay.gov.uk

Version:	1	Date:	August 2017	Author:	Kevin Michell
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Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>1.1 The Council has the discretion to reduce council tax liability for individuals or prescribed groups, where national discounts and exemptions cannot be applied. The Council exercises discretion, in accordance with section 13A(1)(c) of the Local Government Finance Act 1992.</p> <p>1.2 It is proposed that the Council exercise its discretionary powers to award a 100 per cent discount for Torbay care leavers between the ages of 18 and 25 living in the Torbay district. The rationale for supporting care leavers in this way is to help them make an effective social and financial transition from Local Authority care and, ultimately, to help to improve the life chances of looked after children.</p> <p>1.3 A copy of the Government's Keep on Caring report refers.</p>
2.	<p>What is the current situation?</p> <p>2.1 During 2017 there were currently 39 care leavers aged between 18 and 20 and 8 aged between 21 and 24. From this 32 live in Torbay and 15 live outside the Torbay area. Those that live in Torbay, one is a student and 15 receive Council Tax Support.</p>
3.	<p>What options have been considered?</p> <p>3.1 Exempting care leavers to the age of 21, as recommended by the original Children's Society report, as the cost to the taxpayer would be lower. However, many Local Authorities are supporting care leavers through to age 25, to match their corporate parenting responsibility.</p> <p>3.2 Exempting care leavers that move out of Torbay and others that move in from outside the district. However, there are practical and operational complexities in both scenarios that mean it is not currently feasible to include them in the scheme. This will be monitored and proposals will be brought at a future date if the scheme needs to be updated.</p> <p>3.3 Continue with the current arrangement, as the Government intention is for</p>

	councils to use their local discretion. However, the evidence for supporting care leavers as they move into independent living is persuasive.
4.	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>4.1 Exempting care leavers from council tax would be another example of the Council's commitment to its corporate parenting responsibility.</p> <p>4.2 It would assist young people, who only have the support of the council, in reducing the barriers of living in the community, providing them with increased support and lifting them from poverty.</p> <p>4.3 A copy of Torbay's Corporate Parenting Strategy can be found on website.</p>
5.	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>5.1 All young people setting up a home for the first time need particular support and guidance at this period of transition. Those who are leaving care often have little choice over accommodation options and are faced with often overwhelming responsibilities without the wide-ranging family support that most other people can rely upon.</p> <p>5.2 No consultation has been undertaken in respect of the proposed implementation of this scheme although the Children's Society has been lobbying Councils in relation to this.</p>
6.	<p>How will you propose to consult?</p> <p>6.1 Not applicable for this proposal.</p>

Section 2: Implications and Impact Assessment

7.	<p>What are the financial and legal implications?</p> <p>Financial Implications</p> <p>7.1 There were during 2017, 16 care leavers who are currently liable for council tax in Torbay and eligible for the exemption. This equates to an annual loss of income of around £6,000, when all other discounts have been applied.</p> <p>7.2 In considering this proposal along with the overall package of financial support to care leavers, it is expected that there will be a decrease in emergency payments made for crisis situations. It will also reduce the dependency on services that are used by some of our young people.</p> <p>Legal Implications</p>
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	<p>7.4 Section 13A(1)(c) of the Local Government Finance Act 1992 provides the Council with additional discretionary powers to reduce the Council Tax liability where national discounts and exemptions cannot be applied. The Council may reduce the amount of council tax which a person is liable to pay in respect of any chargeable dwelling and for any period (as determined in accordance with sections 10 to 13).</p> <p>7.5 Discretionary discounts recognise that an Authority's Local Council Tax Support Scheme does not always meet the household's full Council Tax liability. The Council has the right to choose whether to use its powers on a case-by-case basis or it also has the right to specify a class of use. A class of use is where several people who pay Council Tax fall into a group because their circumstances are similar.</p> <p>7.6 Paragraph 19A of Schedule 2 to the Children Act 1989 ('the 1989 Act') provides that it is the duty of the local authority looking after a child to advise, assist and support. Paragraph 19B(4)(b) of Schedule 2 to the 1989 Act provides that the local authority shall carry out an assessment of the individuals needs, with a view to determining what advice, assistance and support to provide under this Act after they cease to look after them and prepare a pathway plan for them. This pathway plan is to be kept under review as per paragraph 19B(5) of Schedule 2.</p> <p>7.7 Section 23C(4) of the Children Act 1989 ('the 1989 Act') provides that it is also the duty of the local authority to give a former relevant child other assistance, to the extent that his welfare requires it and pursuant to section 23C(5) this may be in kind or, in exceptional circumstances, in cash. This duty continues until the former relevant child reaches the age of twenty-one as provided by section 23C(7). However, pursuant to section 3 of the Children and Social Work Act 2017, a section 23CZB is to be inserted into the 1989 Act. This has yet to come into force but will apply where the former relevant child has reached the age of 21 but not the age of 25 and a local authority in England had duties towards them under section 23C. This extends the requirement for support between those ages where the former relevant child requests it.</p> <p>7.8 The Council therefore has a duty to provide advice and assistance for care leavers under the age of 21 but this will be extended to the age of 25. Therefore as the provision of a discount is discretionary, the Council has the power to agree to the discretionary discount.</p>
<p>8.</p>	<p>What are the risks?</p> <p>8.1 There are no risks associated with the introduction of the proposed scheme.</p>

<p>9.</p>	<p>Public Services Value (Social Value) Act 2012</p> <p>9.1 The procurement of services or provision of services is not relevant for this report.</p>
<p>10.</p>	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>10.1 The following is a list of the Councils where we are aware council tax exemption for care leavers has been introduced:</p> <ul style="list-style-type: none"> • Birmingham • Bolton • Bracknell Forest • Brighton and Hove • Cheshire West and Chester • Cheshire East • Coventry • Greenwich • Hammersmith and Fulham • Islington • Lancashire • Milton Keynes • North Somerset • Oldham • Rochdale • Rotherham • Royal Borough of Windsor and Maidenhead • Stockport • Walsall • Wolverhampton <p>10.2 The majority of council's implemented exemptions for the 18 to 25 age group.</p> <p>10.3 Other schemes include;</p> <ul style="list-style-type: none"> • 18 to 21 year olds only • 18 to 21 year olds combined with a discretionary award scheme for 21 to 25 • Council Tax Support topped up with a discretionary award
<p>11.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>11.1 A consultation has not been undertaken however we will review the impact and effectiveness of the scheme at the end of 2018-19 financial year.</p>
<p>12.</p>	<p>Amendments to Proposal / Mitigating Actions</p> <p>12.1 Not applicable for this proposal.</p>