

Meeting: Council

Date: 9th January 2020

Wards Affected: All Wards

Report Title: Council Tax Base 2020/21

Is the decision a key decision? Yes

When does the decision need to be implemented?

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1. Proposal and Introduction

- 1.1 The Council is required to determine its Tax Base for Council Tax purposes for 2020/21 during the period 1 December 2019 to 31 January 2020 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 **To increase the Council Tax (Long Term) Empty Homes Premium for those properties that have been empty for more than 5 years from 100% to 200% from 1st April 2020.**
- 2.2 **That the calculation of the Torbay Council Tax Base for the year 2020/21 be approved as shown in Appendix 1.**
- 2.3 **That the calculation of the Brixham Town Council Tax Base for the year 2020/21 be approved as shown in Appendix 2.**
- 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 2020/21 should be 46,274.88. (Dependant on approval of 2.2).**

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 2020/21 should be 6,261.12. (Dependant on approval of 2.3).

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 2019 and 31st January 2020 and for this figure to be notified to precepting authorities by the 31st January 2020. For the year commencing 1st April 2020 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 2020/21.
- 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 2020/21 this is the 30th November 2019 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 2020/21 Council Tax demands which it predicts will be paid into the Collection Fund during 2020/21. The in year Collection rate estimated for 2020/21 is 96.0% and this is reflected in the Tax Base calculation. Any tax collected in excess of 96.0% for the billing year 2020/21 and prior years will be reflected in the annual Collection Fund surplus.
- A1.9 The calculated Council's tax base for 2020/21 of 46,274.88 compares with the 2019/20 tax base of 45,699.55, a 1.25% 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 level and value of claims under 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 2020/21 of 6,261.12 compares with the 2019/20 tax base of 6,187.87 a 1.2% 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 is 1 change within the 2020/21 calculation compared to the 2019/20 calculation.
- (i) The ‘Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018’ permits Councils to increase the Council Tax (Long Term) Empty Homes Premium for those properties that have been empty for a period of time. The Act permits increases in the premium to 200% from April 2020 and 300% from April 2021 subject to the parameters in the Act linked to the period the property has been empty – the higher premium rates can apply if empty for more than 5 and 10 years. Therefore the recommendation is for to increase the Council Tax (Long Term) Empty Homes Premium for those properties that have been empty for more than 5 years from 100% to 200% from 1st April 2020. This increase has been included in the calculation of the 2020/21 tax base.
 - (ii) As part of the 2021 budget setting process, the Council will seek to approve for April 2021 the increase to 300% for homes empty for more than 10 years.

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 2019 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 2020/21

Appendix 2 The calculation of Brixham Town Council Tax Base 2020/21