

Allerdale Borough Council

Council – 30 January 2019

Calculation of Council Tax Base for 2019-20

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<b>The Reason for the Decision</b>	The Local Government Finance Act 1992, as amended, requires each billing authority to calculate the council tax base for its area or part of its area, eg Parish, on an annual basis and notify precepting authorities of the amount calculated.
<b>Summary of options considered</b>	The calculation of the council tax base for the whole district and for each parish and town council, for 2019-20.
<b>Recommendations</b>	<ul style="list-style-type: none"><li>a) That the report for the calculation of the council's tax base for the year 2019-20 as set out in the Appendices, be approved.</li><li>b) That pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated by Allerdale Borough Council as its tax base for the whole area for 2019-20 shall be 30,662.47.</li><li>c) That the major precepting authorities (Cumbria County Council and the Police and Crime Commissioner for Cumbria) be notified for the purpose of calculating the basic amount of its council tax.</li><li>d) That the tax base be used by Allerdale Borough Council for calculating the basic amount of council tax as required by the Local Government Finance Act 1992 as amended.</li></ul>
<b>Financial / Resource Implications</b>	The council tax base is the measure of the relative taxable capacity of different areas. An increase in the tax base means additional capacity to raise income from Council Tax. Conversely a decrease means a reduction in the Council's capacity to raise income from council tax.
<b>Legal Implications</b>	Calculation of the council tax base in accordance with the requirements of the Local Government Finance Act 1992, as amended.
<b>Community Safety Implications</b>	None

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<b>Health and Safety and Risk Management Implications</b>	None.
<b>Equality Duty considered / Impact Assessment completed</b>	The calculations take into account discounts applicable to single person households, disabled persons and exempt properties.
<b>Wards Affected</b>	All.
<b>The contribution this decision would make to the Council's priorities</b>	Statutory calculation of council tax base.
<b>Is this a Key Decision</b>	Yes.
<b>Portfolio Holder</b>	Councillor Barbara Cannon
<b>Lead Officer</b>	Catherine Nicholson, Head of Financial Services, <a href="mailto:catherine.nicholson@allerdale.gov.uk">catherine.nicholson@allerdale.gov.uk</a> 01900 702503

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**Report Implications** (Please delete where applicable).

Community Safety	N	Employment (external to the Council)	N
Financial	Y	Employment (internal)	N
Legal	Y	Partnership	N
Social Inclusion	N	Asset Management	N
Equality Duty	N	Health and Safety	N

Background papers .....

**1.0 Introduction**

- 1.1 Under the provisions of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 Allerdale Borough Council has the responsibility for determining the council tax base for the borough as a whole and each individual Parish or Town Council area within the borough.
- 1.2 The tax base is an estimate of the taxable resources for the borough as a whole and for each individual Parish or Town Council.
- 1.3 The tax base must be set by the 31 January 2019 in relation to 2019-20, as prescribed by the 2012 regulations.

- 1.4 The Council is required to inform the major precepting authorities - Cumbria County Council and the Police and Crime Commissioner for Cumbria – and local precepting authorities of the tax base to enable the calculation of council tax for the following year.
- 1.5 The calculation of the 2019-20 tax base incorporates the impact of the Community Governance Review (approved by Council on 5 December 2018) and the Council Tax Empty Homes Premium Report (presented to Council as an earlier item on this agenda).

## **2.0 Calculation of the tax base**

- 2.1 The starting point for the calculation is the total number of dwellings and their council tax band included in the Authority's valuation list
- 2.2 The list is sorted into parish order and adjustments made for the following items:
  - a) an estimate of properties which are not currently shown in the list but will be entered into the list for the whole or part of the year;
  - b) an estimate of properties which are currently listed but will be deleted for the whole or part of the year (demolitions etc);
  - c) an estimate of the number of properties which will be exempt;
  - d) an estimate of the reduction in banding for disabled persons;
  - e) discounts at the relevant percentage for single person households, disregarded properties, second homes, unoccupied properties, family annex, uninhabitable properties and discounts and premiums for empty properties. Where the relevant percentages are the same the discount types are shown combined in the Appendix, such as for disregarded properties, second homes (class A), unoccupied, standard empty and family annex discounts, which are all currently set at 50%;
  - f) an estimate of the discounts through the Council Tax Reduction Scheme.
- 2.3 Each band is then converted into "band D equivalents" by applying the factor laid down by legislation. For example, a band A dwelling is multiplied by 6/9 to arrive at the band D equivalent figure, whilst a band H dwelling is multiplied by 18/9. All these are then added together to give a total of band D equivalents.
- 2.4 After making the calculations as set out in paragraphs 2.2 and 2.3, the Council must estimate its collection rate for the year. That rate must be uniform throughout each part of the area.
- 2.5 The collection rate takes account of changes in the valuation list which could arise for a variety of reasons such as appeals, changes in circumstances and non-collection. For 2019-20 a collection rate of 98.5% has been applied (compared to 98.5% in 2018-19). This reflects current collection experience including the recovery of arrears.
- 2.6 If the collection rate achieved is higher or lower than 98.5% then there will be a surplus / deficit on the Collection Fund to carry forward to the next year financial year.

### **3.0 Council tax base 2019-20**

- 3.1 Based on these assumptions, the council tax base for 2019-20 is 30,662.47 after allowing for a collection rate of 98.5%.
- 3.2 The relevant calculations that are required are attached to this report as follows:
- I. Appendix A shows the detailed calculations of the taxbase for the whole area;
  - II. Appendix B shows the detailed calculation of the taxbase for each part of the area; and
  - III. Appendix C shows the summary of the council tax bases for each part of the area.

### **4.0 Recommendations**

- 4.1 That the report for the calculation of the council's tax base for the year 2019-20 as set out in the Appendices, be approved.
- 4.2 That pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated by Allerdale Borough Council as its tax base for the whole area for 2019-20 shall be 30,662.47.
- 4.3 That the major precepting authorities (Cumbria County Council and the Police and Crime Commissioner for Cumbria) be notified for the purpose of calculating the basic amount of its council tax.
- 4.4 That the tax base be used by Allerdale Borough Council for calculating the basic amount of council tax as required by the Local Government Finance Act 1992 as amended.

**Catherine Nicholson**  
**Head of Financial Services**