

Bath & North East Somerset Council	
MEETING:	Council
MEETING DATE:	8 th November 2012
TITLE:	COUNCIL TAX BASE 2013-2014
WARD:	All
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report: Appendix 1 – Council Tax Base by Parish</p>	

1 THE ISSUE

1.1 This report describes the calculation of Council Tax Base within an environment of changes proposed by the Local Government Finance Bill/Act 2012, due to come into effect from April 2013. Council is asked to approve calculation of the tax base for the area and the amounts for each Parish, and to give delegated authority to Section 151 Officer to make technical changes and minor adjustments as may become necessary prior to final notification to precepting bodies.

2 RECOMMENDATION

That the Council agrees

2.1 The calculation of the Council's tax base for the year 2013/14 as set out in this report.

2.2 That an anticipated surplus of £200,000 on the collection fund at the end of 2012/2013 is noted.

2.3 The amount calculated by Bath & North East Somerset Council as its tax base for the whole area for the year 2013/14 shall be 59,137.26 after adjustment for discretionary changes to discounts and exemptions, and the impact of the proposed Local Council Tax Support scheme (LCTS).

- 2.4** For the parts of the area, for the year 2013/14, the tax base is calculated as shown in Appendix 1, both protected from the impacts of the Council Tax Support scheme and unprotected from its impact, while allowing for a 98.25% collection rate.
- 2.5** Delegated authority be given to the Section 151 Officer to make such technical changes and minor adjustment to the tax base, as may be required as a result of current, unresolved CLG consultations and any further government or legislative activity.

3 FINANCIAL IMPLICATIONS

- 3.1** The Council Tax base figure is used as the basis to calculate the Council Tax charges for Bath & North East Somerset Council and each of the individual Parish precepts for the area. It also contributes to the tax bases of the Avon & Somerset Police Authority and the Avon Fire Authority.
- 3.2** Council Tax is a significant element of the funding for Council expenditure and an accurate estimate of the tax base will ensure that sufficient funds are collected in order to pay precepts at the agreed times.

4 CORPORATE OBJECTIVES

- 4.1** In accordance with regulations for the Council Tax regime, it is necessary for each billing authority to resolve the calculation of the Council Tax base for its area before the details are provided to the major Precepting Authorities for use in their calculations. The information must be notified between **20th December and 31st January** in the financial year preceding that to which the tax base applies.

5 THE REPORT

- 5.1** The base information is that provided to the Communities & Local Government office in October 2012. This has subsequently been adjusted for alterations in the list and for second homes on a parish by parish basis. It is further adjusted for discretionary changes to discounts and exemptions. The tax base is revised further for the potential impact of local Council Tax Support (CTS) by parish, and this will be applicable to parishes if no protection from impact is provided. Protection is dependent on the outcome of a CLG consultation which is as yet unresolved.
- 5.2** Localised Council Tax Support and the discretionary powers for Exemptions and Discounts have a direct impact on the Council Tax base calculation, detailed papers on these issues are covered in depth at this Council meeting prior to the approval of this report.
- 5.3** Approval of the Local Council Tax Support scheme as proposed will have the effect of reducing the Council tax base for all major preceptors, whilst the

proposed decision to reduce exemptions will have the opposite impact for all preceptors.

- 5.4** These calculations are based on the proposed regulations as we understand them today but there are still outstanding consultations around the way that Town and Parish Council precepts will be funded as well as outstanding consultations around the detail about the application of discretionary powers for certain exempt properties. We can expect these to be resolved by the latest on the 5th December, but expect the Act to be passed by the end of November 2012.
- 5.5** Given the unresolved consultations, which may make further adjustment necessary, the Section 151 Officer seeks approval to make technical changes and minor adjustment to the tax base, prior to formal notification to precepting bodies.
- 5.6** The detailed calculations have allowed for a **ninety eight point two five per cent adjustment rate (98.25%)**.
- 5.7** This figure is the same as last year and takes account of potential changes in the tax base throughout the year as well as a provision for bad and doubtful debts. It is recognised that additional effort will be required to collect the increase in small debts and ensure that the tax base is maintained accurately.
- 5.8** The funding of Localised Council Tax Support is highlighted in the previous report and it should be noted that the grant in respect of this scheme will be paid directly to ourselves and the major Precepting bodies, which also impacts on the level of the tax base.
- 5.9** For Bath & North East Somerset Council, the appropriate total for tax base will be the unprotected figure after the impact of Council Tax Support.
- 5.10** T
The Section 151 Officer is required to estimate the amount of any surplus or deficit on the Collection Fund as at 31st March 2013. This must be done by the 15th January 2013 (or first working day thereafter), and this report also asks Council to approve the balance projected.
- 5.11** A
After calculations of current year collection and adjustments to the tax base in 2012/13, it is anticipated that the 2012/13 collection fund account will declare a surplus of **£200,000**. This will be shared amongst the major preceptors to Bath & North East Somerset, so a surplus of approximately **£168,000** relates to Bath and North East Somerset Council's share.

5.12

The Tax Base figures are calculated as below:

<p>Council Tax base, adjusted for discretionary change to discounts and exemptions after allowing for a collection rate estimated at 98.25% of the tax base.</p> <p>This is the level with protection for parishes from the impact of Council Tax Support.</p>	65,516.77
<p>Council Tax base adjusted for discretionary change to discounts and exemptions and the impact of Council Tax Support (CTS) after allowing for a collection rate estimated at 98.25% of the tax base,</p> <p>This is the unprotected tax base which will be applicable to Bath & NE Somerset Council.</p>	59,137.26

6 RISK MANAGEMENT

- 6.1** The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.
- 6.2** As highlighted in the report as well as our discretionary powers to set a localised council tax support scheme and charges for exempt properties, there is also an impact on overall charges depending on the decisions of other local authorities that fall within the boundary of our major preceptors and this will need to be considered at budget setting.

7 EQUALITIES

- 7.1** There are no equalities considerations associated with the setting of tax base.

8 OTHER OPTIONS CONSIDERED

- 8.1** None.

9 CONSULTATION

9.1 Consultation has taken place between the Operations Manager, the Corporate Finance Manager, and the Director of Finance.

10 ISSUES TO CONSIDER IN REACHING THE DECISION

10.1 Issues to consider in reaching the decision are outlined under Risk Management within related reports for Council Tax technical changes and Council Tax Support scheme.

11 ADVICE SOUGHT

The Council's Monitoring Officer (Director of Legal and Democratic Services) and Section 151 Officer (Director of Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	