EXECUTIVE SUMMARY:

To provide the statutory details of the 2016/17 council tax bases for approval.

RECOMMENDED: THAT

THE COUNCIL TAX BASES (SHOWING BAND ‘D’ EQUIVALENT DWELLINGS FOR TAX SETTING PURPOSES) FOR THE ELMBRIDGE AREA IN RESPECT OF THE YEAR 2016/17 BE APPROVED AS FOLLOWS:

FOR THE WHOLE BOROUGH 62,582

FOR THE AREA OF THE BOROUGH COVERED BY CLAYGATE PARISH COUNCIL 3,392

REPORT:

1. The Council is required to undertake a formal calculation of the 2016/17 council tax base, in accordance with the requirements of the Local Government Finance Act 1992. Tax base details must be determined and relevant information passed to precepting authorities by the required date of 31 January 2016.

2. Legislation requires that the calculations made must be based on the position as at 30 November 2015. These tax bases will then be used by each precepting authority early next year in setting their individual elements of the 2016/17 council tax.

3. Claygate Parish requires a specific council tax base calculation for its area; there is an additional and separate council tax levied on each of the domestic properties in the Claygate Parish area.

4. At its meeting on 14 November 2007, the Cabinet agreed that future versions of this report should be made direct to Council without reference to Cabinet. Two separate calculations are attached as appendices to this report:

   Appendix A - overall tax base for the Elmbridge Borough area (including the Claygate Parish area)
   Appendix B - tax base for the Claygate Parish area.
5. The tax base is calculated by taking the actual number of properties in each property band then making allowances for anticipated changes to the end of the next financial year. These changes include the number of physical properties, statutory exemptions, discounts and the cost of awards under the local council tax support scheme (LCTSS). The adjusted totals are then multiplied by a band specific ratio to produce the number of band D equivalents. Working out to band D equivalents is a legal requirement although in Elmbridge’s case the average property falls within band E.

6. Given the tax base is estimating events up to 16 months ahead, an allowance is built in to protect against adverse movements such as successful appeals against banding, increases in the number of discounts, exemptions, and LCTSS granted etc. as well as non payment and bad debt. Last year an allowance of 2.0% was deducted from the tax base. This prudent allowance was introduced partly due to the uncertain economic conditions and introduction of the LCTSS. While both of those factors were appropriate, with the experience gained since the introduction of the LCTSS it is now recommended that an allowance of 1.7% is used for the calculation for 2016/17. This gives an estimated collection rate of 98.3% and has been used in the calculation of the council tax base for 2016/17. When next year’s council tax base is calculated the 1.7% allowance will be reviewed in the light of experience.

Financial implications:
The council tax base stated in this report will be used to work out the council tax funding in the 2016/17 budget to be approved by Council in February 2016.

Environmental/Sustainability implications:
Administrative report - exempt.

Legal implications:
Approval of the tax base by the Council, and notification to precepting authorities by no later than 31 January 2016, is a statutory requirement.

Equality Implications:
None for the purpose of this report.

Risk Implications:
None, other than the legal implications above and the estimated nature of the tax base calculation.

Community Safety Implications:
None for the purpose of this report.

Principal Consultees:
None for the purpose of this report.

Background papers:
None for the purpose of this report.
Enclosures/Appendices:
Appendix A: Tax base for the Elmbridge Borough area (including the Claygate Parish area).
Appendix B: Tax base for the Claygate Parish area.

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