

## **CABINET – 5 December 2013 EXECUTIVE SUMMARY OF AGENDA ITEM 10**

**Report title: Approval of council tax base 2014/15 with delegation of changes required and delegation of business rate estimate 2014/15**

**Wards affected:** Citywide

**Strategic Director:** Angie Ridgwell

**Report Author:** Mark Taylor, Service Director - Finance

### **RECOMMENDATION for the Mayor's approval:**

1. To recommend for approval at Full Council in December 2013 the council tax base for 2014/15 as 115,008 based on data to November 2013
2. That if any changes are approved by Full Council to the Council Tax Reduction Scheme (CTR) in the Full Council report in December 2013 on the CTR Scheme 2014/15, that delegated authority be given to the s151 Officer, in consultation with the Portfolio Holder for finance, to recalculate the Council Tax Base in line with such changes as set out in point 8 of this report.
3. To delegate authority to the Section 151 Officer, in consultation with the Portfolio Holder for Finance, to determine the business rates tax base for 2014/15 as set out in point 12 of this report.

### **Key background / detail:**

This report is about setting a council tax base and business rate tax base for 2014/15. Setting the council tax base is a statutory requirement that forms the basis of the calculation of the council tax charge for 2014/15. Regulations also require the Council to formally set a business rate tax base on the same timescale as the council tax base (i.e. by 31 January each year).

The purpose of this report is to provide details of the council tax base for 2014/15 for budget setting purposes for Bristol City Council and its major preceptors, Avon & Somerset Police Authority and Avon Fire Authority based on current position and recommend delegation of changes, before the statutory deadline, to the Section 151 Officer. In addition the report recommends the delegation of the production of estimates of the Business Rate Receipts for 2014/15 to the Section 151 Officer.

**BRISTOL CITY COUNCIL  
CABINET  
5 December 2013**

**REPORT TITLE:** Approval of Council Tax Base 2014/15 with Delegation of changes required and Delegation of Business Rate Estimate 2014/15

**Ward(s) affected by this report:** All

**Strategic Director:** Section 151 Officer

**Report author:** Mark Taylor, **Service Director:** Finance

**Contact telephone no. & e-mail address:** 0117 922 2419  
mark.taylor@bristol.gov.uk

**Purpose of the report:**

To set a council tax base and business rate tax base for 2014/15. Setting the council tax base is a statutory requirement that forms the basis of the calculation of the council tax charge for 2014/15. Regulations also require the Council to formally set a business rate tax base on the same timescale as the council tax base (i.e. by 31 January each year).

The purpose of this report is to provide details of the council tax base for 2014/15 for budget setting purposes for Bristol City Council and its major preceptors, Avon & Somerset Police Authority and Avon Fire Authority based on current position and recommend delegation of changes, before the statutory deadline, to the Section 151 Officer. In addition the report recommends the delegation of the production of estimates of the Business Rate Receipts for 2014/15 to the Section 151 Officer.

**Recommendation for Mayor's approval:**

1. To recommend for approval at Full Council in December 2013 the council tax base for 2014/15 as 115,008 based on data to November 2013
2. That if any changes are approved by Full Council to the Council Tax Reduction Scheme (CTR) in the Full Council report in December 2013 on the CTR Scheme 2014/15, that delegated authority be given to the s151 Officer, in consultation with the Portfolio Holder for finance, to recalculate the Council Tax Base in line with such changes as set out in point 8 of this report.
3. To delegate authority to the Section 151 Officer, in consultation with the Portfolio Holder for Finance, to determine the business rates tax base for 2014/15 as set out in point 12 of this report.

## **Context**

4. Bristol City Council has the power in statute to raise a tax on households in its area to pay for the provision of local services. It is designated as the Billing Authority for the area. This means that it is responsible for levying a council tax to meet its own demands and to meet the precepts of other authorities in the area. The major precepting bodies are:
  - Avon & Somerset Police Authority and
  - Avon Fire Authority.
5. Section 67 of the Local Government Finance Act 1992 requires the Council to determine its tax base for council tax purposes each year. Properties are recorded in eight national bands by value (A to H) as determined the Valuation Office agency. Band H taxpayers pay twice as much as those in Band D and three times as much as those in Band A. The number of properties is expressed as a number of Band D equivalent properties.
6. In accordance with Regulations the Authority must set a tax base for council tax purposes and notify major precepting bodies by 31 January each year.

## **Local Council Tax Reduction Scheme**

7. From 1 April 2013 local council tax support schemes replaced council tax benefit in England. Under these local schemes reductions are part of the council tax system rather than a welfare benefit. Bristol City Council introduced a localised scheme that provided a full set of discounts that replicated the previously existing national Council Tax benefit scheme.
8. During 2013/14 the Authority has reviewed this decision and undertaken a consultation on the options. A separate Cabinet Report on 5 December 2013 considers whether the Authority should reduce the set of discounts offered in its Council Tax Reduction Scheme (CTRS). If subsequently approved by Full Council in December 2013, this will result in an increased council tax base. It is recommended that the responsibility for finalising the tax base be delegated to the Section 151 Officer in consultation with the Portfolio Holder for Finance as set out in the Recommendations in this report.

## **Calculation of council tax base**

9. The calculation has been prepared in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 which came into force on 30 November 2012.
10. In October each year DCLG requires a snapshot of the Tax Base at a specified date in September, net of exemptions, reductions and discounts. This is known as the CTB1 return. A copy of the return for October 2013 is attached as Appendix A to this report. The figure for the Authority, denominated in band D equivalents is 116,759.
11. The table below shows the calculation of the tax base for 2014/15. This compares to the council tax base of 113,099 for 2013/14.

	<b>Band D equivalent Properties</b>
DCLG Return (October 2013)	116,759
Adjustment to reflect discretionary discounts	600
Add Changes re Additional properties	400
Less Additional exemptions awarded	(1,000)
	<b>116,759</b>
Multiplied by Collection rate	98.5%
<b>Proposed Tax Base for 2014/15</b>	<b>115,008</b>

### **Business Rates tax base**

12. The Local Government Finance Act 2012 made it obligatory for authorities to formally calculate the estimated level of business rates (the business rates tax base) it anticipates collecting for the forthcoming financial year and passing this information to precepting authorities by 31 January. The Government will continue to set the tax rate (known as the non-domestic multiplier). Authorities have previously made payments to the Government on the basis of their estimates of business rates collected during the year, but their income from business rates was entirely dependent on the allocation received as part of the Local Government Finance Settlement. Under the new system, billing authorities estimates of the business rate base will determine the resources available to both themselves and major preceptors, very much in line with the arrangements for council tax.
13. From 1 April 2013 under the Business Rates Retention Scheme, Bristol City Council will retain 49% of any growth in business rates collected, 1% will go to the Fire Authority and the remaining 50%, known as the Central Share will go to the Government. While the tax base will be based upon the 30 September data from the Valuation Office, authorities will be allowed to adjust this figure to take into account their own estimates of changes between September and the end of the forthcoming financial year. As the data for calculating the business rates tax base will not be finalised until January and the return to the DCLG (NDR1) has not yet been received, it is recommended that the responsibility for setting these figures be delegated to the Section 151 Officer in consultation with the Portfolio Holder for Finance.

### **Consultation and scrutiny input:**

- a. **Internal consultation:**  
Service Directors  
Strategic Leadership team
- b. **External consultation:**  
None

## **Finance**

### **a. Financial implications:**

The council tax base and business rates tax base will be taken into account when the budget and council tax is set in February 2014.

### **b. Legal implications:**

Setting the Council Tax base is reserved to Full Council. This report recommends approval at full Council of the Council tax base for 2013/14 as set out in the recommendations in this report.

The base figure of 115,008 may require subsequent adjustment as set out in this report if Full Council approve changes in the CTR Scheme for 2013/14 in the report going to Full Council in December 2013 on the CTR Scheme. This report asks for delegated authority from Cabinet to the s151 Officer, in Consultation with the Portfolio officer for finance, to make any such adjustments, as set out in point 8 and in the recommendations in this report.

Finally for the reasons set out in point 12 and in the recommendations in this report, Cabinet is asked to give delegated authority to the s151 Officer, in Consultation with the Portfolio officer for finance, to determine the business rates tax base for 2013/14.

Penny Wilford, Team Leader, Legal Services. 21 November 2013

### **d. Land / property implications:**

Not required for this report

### **e. Human resources implications:**

Not required for this report

## **Appendices:**

Appendix A – Copy of the CTB report submitted to the DCLG October 2013

## **Access to information (background papers):**

Cabinet Report – Council Tax Reduction Scheme 2014/15 (see agenda item 9)

## CTB(October 2013)

## Calculation of Council Tax Base for Revenue Support Grant Purposes

Please e-mail to : [ctb.statistics@communities.gsi.gov.uk](mailto:ctb.statistics@communities.gsi.gov.uk)

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0a

Please select your local authority's name from this list

Derbyshire Dales
Derbyshire
Derham
Derwent Valley
Derwentside
Derwentside

Check that this is your authority :	Bristol
Local authority contact name :	
Local authority telephone number :	
Local authority fax number :	
Local authority e-mail address :	

## CTB(October 2013) form for Bristol

Completed forms should be received by DCLG by Friday 18 October 2013

Band A  
entitled to  
disabled  
reliefDwellings shown on the Valuation List for the authority on  
Monday 9 September 2013

	Band A entitled to disabled relief reduction COLUMN 1	Band A COLUMN 2	Band B COLUMN 3	Band C COLUMN 4	Band D COLUMN 5	Band E COLUMN 6	Band F COLUMN 7	Band G COLUMN 8	Band H COLUMN 9	TOTAL COLUMN 10
1. Total number of dwellings on the Valuation List		48,604	71,682	37,684	17,176	9,299	4,662	2,815	325	192,247
2. Number of dwellings on valuation list exempt on 7 October 2013 (Class B & D to W exemptions)		1,276	1,057	1,042	937	810	148	35	16	5,321
3. Number of demolished dwellings and dwellings outside area of authority on 7 October 2013 (please see notes)		0	0	0	0	0	0	0	0	0
4. Number of chargeable dwellings on 7 October 2013 (treating demolished dwellings etc as exempt) (lines 1-2-3)		47,328	70,625	36,642	16,239	8,489	4,514	2,780	309	186,926
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 7 October 2013		31	229	171	96	49	35	35	23	669
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	31	229	171	96	49	35	35	23		669
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	31	47,526	70,567	36,567	16,192	8,475	4,514	2,768	286	186,926
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 7 October 2013	6	23,768	22,210	9,929	3,769	1,679	670	337	20	62,388
9. Number of dwellings in line 7 entitled to a 25% discount on 7 October 2013 due to all but one resident being disregarded for council tax purposes	1	344	638	398	154	67	25	13	3	1,643
10. Number of dwellings in line 7 entitled to a 50% discount on 7 October 2013 due to all residents being disregarded for council tax purposes	0	26	62	66	24	30	36	40	22	306
11. Number of dwellings in line 7 classed as second homes and so treated for Formula Grant purposes as being entitled to a 50% discount on 7 October 2013 (even if a lower discount has been granted in practice).		370	438	274	191	83	27	12	7	1,402
12. Number of dwellings in line 7 classed as empty and receiving a zero% discount on 7 October 2013		0	0	0	0	0	0	0	0	0
13. Number of dwellings in line 7 classed as empty and receiving 50% discount on 7 October 2013		0	0	0	0	0	0	0	0	0
14. Number of dwellings in line 7 classed as empty and receiving a discount between zero% and 100% (excluding 50%) on 7 October 2013.		862	826	412	194	88	46	29	4	2,461
15. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 7 October 2013.		130	105	62	23	10	7	2	1	340
16. Total number of dwellings in line 7 classed as empty on 7 October 2013 (lines 12, 13, 14 & 15) and assumed to be receiving 100% discount for Revenue Support Grant purposes		992	931	474	217	98	53	31	5	2,801
16a Number of dwellings that are classed as empty on 7 October 2013 and have been for more than 6 months. NB These properties should have already been included in line 16 above.		425	463	270	137	53	32	13	3	1,396
16b Number of dwellings that are classed as empty on 7 October 2013 and have been for more than 6 months and were previously eligible for Class A exemptions. NB These properties should have already been included in line 16 above.		31	43	20	7	5	4	3	0	113
16c Line 16a - line 16b. This is the equivalent of lines 12+14+15 on the CTB(October 2012) and will be used to calculate the New Homes Bonus.		394	420	250	130	48	28	10	3	1,283
17. Number of dwellings in line 7 where there is liability to pay 100% council tax (lines 7-8-9-10-11-16)	24	22,026	46,288	25,426	11,837	6,518	3,703	2,335	229	118,386
18. Number of dwellings in line 7 that are assumed to be subject to a discount for Revenue Support Grant purposes (lines 8+9+10+11+16)	7	25,500	24,279	11,141	4,355	1,957	811	433	57	68,540
19. Total equivalent number of dwellings after discounts, exemptions and disabled relief (to 2 decimal places)	29.25	40,308.00	63,674.00	33,341.25	14,886.75	7,884.00	4,255.75	2,623.50	260.75	167,263.25
20. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	

## CTB(October 2013)

**Calculation of Council Tax Base for Revenue Support Grant Purposes**Please e-mail to : [ctb.statistics@communities.gsi.gov.uk](mailto:ctb.statistics@communities.gsi.gov.uk)

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0a

21. Total number of band D equivalents (to 1 decimal place) (line 19 x line 20)	16.3	26,872.0	49,524.2	29,636.7	14,886.8	9,636.0	6,147.2	4,372.5	521.5	141,613.2
22. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2012-13 (to 1 decimal place)										17.1
23. Tax base for Revenue Support Grant purposes (to 1 decimal place) (line 21 col 10 + line 22)										141,630.3

## Certificate of Chief Financial Officer

I certify that the information provided on this form is based on the dwellings shown in the Valuation List for my authority on 9 September 2013 and that it accurately reflects information available to me about exemptions, demolished dwellings etc, disabled relief, discounts and premiums applicable on 7 October 2013 and, where appropriate, has been completed in a manner consistent with the form for 2012.

Local authority contact name : 0  
 Local authority telephone number : 0  
 Local authority fax number : 0  
 Local authority e-mail address : 0

Chief Financial Officer : ..... Date : .....

Ver 1.0a

Now open the sheet called Validation to see if there are any inconsistencies in your form

24. Total equivalent number of dwellings after discounts, exemptions and disabled relief (to 2 decimal places)	29.25	40,308.00	63,674.00	33,341.25	14,886.75	7,884.00	4,255.75	2,623.50	260.75	167,263.25
25. Reduction in tax base due to Council Tax Support (to 2 decimal places)	7.62	15,831.55	13,061.47	3,446.74	735.60	204.71	53.37	15.11	0.81	33,356.98
26. Total equivalent number of dwellings after discounts, exemptions, disabled relief and council tax support (to 2 decimal places)	21.63	24,476.45	50,612.53	29,894.51	14,151.15	7,679.29	4,202.38	2,608.39	259.94	133,906.27
27. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
28. Total number of band D equivalents (to 1 decimal place) (line 26 x line 27)	12.0	16,317.6	39,365.3	26,572.9	14,151.2	9,385.8	6,070.1	4,347.3	519.9	116,742.1
29. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2012-13 (to 1 decimal place)										17.1
30. Tax base after council tax support (to 1 decimal place) (line 28 col 10 + line 29)										116,759.2