

<b>COUNCIL</b>	<b>DATE</b> 29 January 2020	<b>ITEM NO</b> 13
<b>TITLE</b> Council Tax Base 2020/21	<b>WARDS</b> All	
<b>CHIEF OFFICER</b> Director of Finance	<b>CABINET MEMBER</b> Finance and Resources	
<b>DECISION CLASSIFICATION</b> Key Non Exempt	<b>IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING?</b> Yes	

## **I. Decisions Required**

Council is requested -

- I.1 To agree a council tax base for the whole authority area for 2020/21 of 83,664.91 in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- I.2 To agree an additional council tax base for the Gloucester Circus Garden Square area of the authority for 2020/21 of 95.68.
- I.3 To agree a continuance in 2020/21 of the Council Tax discount of 0% on Class A & Class B dwellings (second homes) and Class C & D dwellings (empty homes).
- I.4 To agree a continuance of a Council Tax premium of 100% in 2020/21 in respect of Long Term Empty dwellings for dwellings empty for up to 5 years.
- I.5 To agree a Council Tax premium of 200% in 2020/21 in respect of Long Term empty dwellings, for dwellings empty longer than 5 years.
- I.6 To agree a continuance in 2020/21 of the Council Tax discount of 100% in respect of Royal Borough of Greenwich resident care leavers, aged under 25, in line with the decision of Council in March 2017.
- I.7 To note the proposed changes to the Local Council Tax Support Scheme recommended by Cabinet for Council earlier on the agenda are included in the tax base calculations.

- 1.8 To note that the council tax base relevant to the Southern Region of the Environment Agency for flood defence levy apportionment purposes in 2020/21 is 8,301.31.
- 1.9 To note that the council tax base relevant to the Thames Region of the Environment Agency for flood defence levy apportionment purposes in 2020/21 is 75,363.60.

## **2. Introduction and Background**

- 2.1 It is a statutory requirement that local authorities determine their council tax base by 31 January for the following financial year.
- 2.2 The tax base calculation is specified in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 2.3 The authority is required to calculate for the whole of its area the “relevant amounts” (defined in paragraph 4 of the Regulations and summarised in Appendix 1) for each valuation band. The total of the “relevant amounts” for each band is then multiplied by the estimated collection rate. The product of applying the estimated collection rate to the total relevant amount is then adjusted by an estimate of the payment in lieu to be paid by the secretary of State for Defence for dwellings occupied by Armed Forces. The result of this calculation is the authority’s tax base for the whole of its area.
- 2.4 The authority’s 2020/21 tax base for the whole of its area is 83,664.91. The tax base calculation for the whole of the authority’s area is shown in Appendix 2. Additional information supporting the calculation is shown in Appendix 3.
- 2.5 In addition, the authority is required to calculate the tax base for any parts of its area to which a levy or special item relates. The Gloucester Circus Garden Square is part of the authority’s area for which a separate tax base calculation is required. The tax base calculation for the Gloucester Circus area for 2020/21 is 95.68, this calculation is shown in Appendix 4.
- 2.6 The levies issued by the Environment Agency for flood defence are treated as general expenses of the authority. The authority, therefore, is not required to make separate calculations of the Council Tax for the Southern and Thames Flood Defence areas of the Borough under sections 34 and 35 of the 1992 Act. As a result, the authority is not required to make separate tax bases for those areas for tax setting purposes. However, the Environment Agency does require notification of the division of the Borough’s tax base between the

Thames and Southern regions for its levy apportionment calculations. For this purpose, Members are advised that the 2020/21 tax base relevant to the Southern Region is 8,301.31 and to the Thames Region is 75,363.60.

- 2.7 The tax base for the Authority is calculated on the basis of an estimated 94.25% collection rate. The tax base for Gloucester Circus is based on an estimated 98% collection rate.

### **3. Options**

- 3.1 The tax base is a legally required calculation and as such there are no alternative options put forward other than with regards to the discounts and premia that the borough chooses to levy.
- 3.2 The authority wishes to maximise the use of dwellings in the borough and as such bring them back into use as soon as possible in order to assist with housing demand. By offering discounts for empty dwellings, this both works against the objective and also reduces funding for the authority.
- 3.3 With regards to long term empty dwellings, a further disincentive to holding them vacant is to go further than just not awarding discounts, but to levy a premium. The return into use of a long term empty dwelling also counts towards the authority's New Homes Bonus calculations. The maximum percentage levy that can be charged is 100% for dwellings empty for up to 5 years, and 200% for dwellings empty longer than 5 years. As such it is both in the authority's interests from meeting its social and financial objectives to levy at the maximum level.
- 3.4 Proposed changes to the Local Council Tax Support Scheme are addressed in an earlier item on this agenda. The first scheme was introduced by the authority in 2013/14 and provided protection of up to 85% for qualifying working age residents.
- 3.5 It was a recommendation of the recent Fairness Commission that more is done protect vulnerable members of the community. The earlier item on the agenda recommended changes to the Local Council Tax Support Scheme with a recommendation for protection of up to 100% for working age residents. This recommendation is reflected in the tax base calculations.

#### **4. Preferred Option**

- 4.1 Continuance at existing discount and premia levels for all elements, with the exception of the premium for dwellings empty longer than 5 years which should rise to the maximum of 200%.

#### **5. Reasons for Recommendation**

- 5.1 The reasons for the recommendations are set out in section 3.

#### **6. Consultation Results**

- 6.1 The consultation results with regard to the changes to the Local Council Tax Support Scheme (LCTSS) and a Council Tax premium of 200% for dwellings empty longer than 5 years, are addressed in other reports on this agenda.

#### **7. Cross-Cutting Issues and Implications**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
Legal including Human Rights Act	<p>The Council is required to set the tax base under the Local Government Finance Act 1992. The tax base is a factor in the determination of the planned level of Council Tax income which can be collected in the following financial year.</p> <p>Section 31B of the Local Government Finance Act 1992 requires the Council to calculate the basic amount of council tax by applying a formula which includes an amount calculated by the Council as its council tax base. As stated in paragraphs 2.1 and 2.2 above, the tax base calculations for a particular financial year must comply with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, and be determined by no later than 31st January in the preceding financial year. These Regulations are made under the Local Government Finance Act 1992.</p>	John Scarborough, Head of Legal Services, 19 January 2020

	The Local Government Finance Act 2012 require councils to operate a Local Council Tax Support Scheme and determine further discounts and set premiums.	
Finance	<p>This calculation establishes the tax base for the authority, upon which council tax revenues can be generated.</p> <p>The raising of the premium level for long term empty dwellings that are empty longer than 5 years is estimated to generate in the region of £90k additional funding for the authority. This will be taken into account when setting the budget for 2020/21.</p>	Damon Cook, Director of Finance, 19 January 2020
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.	Richard Pulfer, Accountancy Business Change Manager, 19 January 2020

## 8. **Report Appendices**

8.1 The following documents are to be published with and form part of the report:

- Appendix 1 Council Tax base calculation summary
- Appendix 2 Tax base calculation for the whole of the authority's area for 2020/21
- Appendix 3 Notes on the Council Tax base calculation
- Appendix 4 Tax base calculation for Gloucester Circus 2020/21

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