

SETTING THE COUNCIL TAX BASE FOR 2016/17**1. Setting the Council Tax Base**

- 1.1 The Council Tax Base is the link between the Council's budget and the level of Council Tax. The tax base will be used to calculate the Council Tax in Sefton, once the Council's budget has been agreed. The Council is required to calculate its own tax base as well as the tax base for each parish council within its boundary and have them approved by the 31 January 2016.
- 1.2 The calculation of the Council Tax Base takes into account many factors such as the rate of new building and the trends in people living on their own (Sole Occupier Discount).
- 1.3 The tax base calculation assumes a collection rate of 98.0% in 2016/17, which is an increase of 0.5% over 2015/16.

2. Council Tax Base for Sefton Council in 2016/17

- 2.1 The Council has considered elsewhere in this report three alternative options for the minimum level of payment required under the Council Tax Support Scheme. The options considered are 20% (Option 1), 18% (Option 2a) and 16% (Option 2c). The tax base calculation for each of these options is set out below:

Tax Base for Sefton Council		Band D Equivalents		
		Option 1 20%	Option 2a 18%	Option 2b 16%
H	Dwellings on the Banding List	109,503.7	109,503.7	109,503.7
Q	<u>Exemptions and Discounts</u>			
	Exempt Dwellings	-1,856.1	-1,856.1	-1,856.1
	Disabled Persons Reductions	-151.1	-151.1	-151.1
	Sole Occupier & Status Discounts	-10,248.4	-10,248.4	-10,248.4
	Empty Property – Discounts	-284.7	-284.7	-284.7
	Total	-12,540.3	-12,540.3	-12,540.3
E	Empty Homes Premium	253.3	253.3	253.3
J	Adjustments	-644.6	-644.6	-644.6
Z	Council Tax Support Scheme	-13,827.0	-13,961.4	-14,123.6
B	Collection Rate Adjustment	-1,654.9	-1,652.2	-1,649.0
	MOD Properties	7.0	7.0	7.0
	Council Tax Base	81,097.2	80,965.5	80,806.5

2.2 The tax base for 2016/17 under Option 1 is 81,097.2 Band D equivalent dwellings. This is an increase of 2,778.2 in comparison with the tax base for 2015/16 that was 78,319. An analysis of the changes between the tax base for 2015/16 and Option 1 for 2016/17 is provided in the table below:

Tax Base for Sefton Council		Band D Equivalents		
		2015/16	2016/17 Option 1	Change
H	Dwellings on the Banding List	109,158.7	109,503.7	345.0
Q	<u>Exemptions and Discounts</u>			
	Exempt Dwellings	-2,016.4	-1,856.1	160.3
	Disabled Persons Reductions	-154.1	-151.1	3.0
	Sole Occupier & Status Discounts	-9,855.3	-10,248.4	-393.1
	Empty Property – Discounts	-325.0	-284.7	40.3
	Total	-12,350.8	-12,540.3	-189.5
E	Empty Homes Premium	211.6	253.3	41.7
J	Adjustments	-1,161.3	-644.6	516.7
Z	Council Tax Support Scheme	-15,538.2	-13,827.0	1,711.2
B	Collection Rate Adjustment	-2,008.0	-1,654.9	353.1
	MOD Properties	7.0	7.0	0
	Council Tax Base	78,319.0	81,097.2	2,778.2

2.3 The main reason for the changes in the tax base are:

Dwellings on the Banding List: The number of properties on Banding List has increased by 431 (0.3%) in the year.

Exempt Dwellings: The number of vacant dwellings owned by a charity (Exemption B) has decreased by 189 and the number of dwellings where the occupation is prohibited by law (Exemption G) has decreased by 54 during the year. The number of dwellings occupied by the severely mentally impaired (Exemption U) has increased by 50 during the year.

Sole Occupier & Status Discounts: The number of homes receiving sole occupier discounts has increased by 1,803 (3.9%).

Empty Homes Premium: The number of homes that have remained unoccupied for more than 2 years has increased by 101 (18.7%) during the year.

Adjustments: The number of dwellings forecast to be demolished in the year has reduced by 200. The number of dwellings expected to be built in the year has increased by 167. The banding list adjustment applied in 2015/16 was -0.5%, this has been reduced to -0.25% in 2016/17 to reflect recent experience.

Council Tax Support Scheme: The number of council tax support claimants reduced during 2014/15. The 2015/16 tax base assumed that claimant numbers would return to the higher level experienced in 2013/14. However, claimant levels have continued to fall in 2015/16. As a result a large council tax surplus is now being forecast for 2015/16. The assumption used in the 2016/17 tax base has been changed. The calculation assumes that the cost of council tax support discounts will remain at the level recorded on 30 November 2015. This change has resulted in the most significant increase in the tax base this year.

For Option 1 no adjustment has been made for potential increases or decreases in discounts in 2016/17. For the Option 2a and Option 2b the calculation contains an adjustment to reflect the forecast increase in the cost of support given to low income households as a result of lowering the minimum payment level from 20% to 18% and 16% respectively.

Collection Rate Adjustment: The collection rate assumed in the tax base calculation has been increased from 97.5% in 2015/16 to 98.0% in 2016/17.

3. Council Tax Base in Parish Areas for 2016/17

3.1 There are also new tax base figures for each parish area in 2016/17. The following table provides details of the new tax base for each parish under each of the three council tax support scheme options:

Tax Base for Parish Areas	Band D Equivalents		
	Option 1 20%	Option 2a 18%	Option 2b 16%
Parish of Aintree Village	2,000.89	1,998.54	1,995.69
Parish of Formby	8,996.39	8,991.36	8,985.26
Parish of Hightown	849.98	849.61	849.17
Parish of Ince Blundell	157.96	157.65	157.28
Parish of Little Altcar	305.26	305.04	304.75
Parish of Lydiate	2,017.84	2,015.79	2,013.34
Parish of Maghull	6,491.13	6,485.06	6,477.75
Parish of Melling	969.85	968.69	967.26
Parish of Sefton	233.18	232.66	232.02
Parish of Thornton	760.79	760.11	759.30

3.2 The tax base calculation for each of the parish areas is based on the same assumptions made in the calculation for Sefton Metropolitan Borough Council.