

Calculation of Tax Base

1. Calculation of Tax Base

- 1.1 The valuation of properties for Council Tax purposes is carried out by the Valuation Office Agency.
- 1.2 For Council Tax purposes each property is placed in a band based on its open market value as at 1st April 1991. The bands are as follows: -

Range of Values Band	Valuation
Values not exceeding £40,000	A
Values exceeding £40,000 but not exceeding £52,000	B
Values exceeding £52,000 but not exceeding £68,000	C
Values exceeding £68,000 but not exceeding £88,000	D
Values exceeding £88,000 but not exceeding £120,000	E
Values exceeding £120,000 but not exceeding £160,000	F
Values exceeding £160,000 but not exceeding £320,000	G
Values exceeding £320,000	H

- 1.3 The Tax Base is calculated in terms of the equivalent number of Band 'D' properties after discounts and exemptions have been taken into account. There are statutory ratios which determine the proportion of the band D charge that will be charged for a property in each band. The ratios are as follows:

A = 6/9ths	E = 11/9ths
B = 7/9ths	F = 13/9ths
C = 8/9ths	G = 15/9ths
D = 1	H = 18/9ths

- 1.4 The standard Council Tax is set in relation to Band 'D' properties, this will mean that somebody living in a Band 'A' property pays 2/3rds of the standard amount whilst somebody in a Band 'H' property pays twice the standard amount.
- 1.5 The full Council Tax charge is based on the assumption that the property is occupied by two or more adults. However, some properties are exempt from any charge, and others qualify for a discount. In determining the Tax Base the following discounts and exemptions are taken into account: -

a) Single Person Discount

Where only one adult lives in the property the Council Tax bill for that property is reduced by 25%. A full and comprehensive review of all of these discounts is undertaken during the year.

b) Status Discounts

For the purpose of determining the number of adults living in the property certain categories of people are not taken into account. Examples include:

- Full time students and student nurses
- Recent school leavers
- People with severe mentally impairment
- People living in a nursing or care home
- Certain care workers
- People in prison

Where the number of adults to be counted after allowing these disregards is one, a 25% discount is allowed. Where the number of adults is nil a 50% discount is allowed. Status discounts are reviewed during the year.

c) Empty Properties

Properties that are unoccupied, but not exempt, are currently entitled to a reduced 10% discount which was previously approved by the Assembly.

d) Exemptions

There are 23 categories of property which are exempt. The main exemptions that apply in Barking and Dagenham are:

- Unoccupied properties (for the first six months they are unoccupied)
- Properties undergoing major repairs
- Properties left unoccupied because the occupier has died
- Properties occupied only by full time students
- Properties occupied only by people with severe mental impairment.

Exemptions are reviewed regularly during the year.

e) Reductions for People with Disabilities

Under certain circumstances, a property that is the home of a person with a disability is charged at the rate for the band below that which would normally be charged. For properties in band A the charge is reduced by 1/9th of the band D charge.

- 1.6 The calculation of the Council Tax Base for information Purposes is required to be submitted to the department for Communities and Local Government each year. The calculation was submitted on 11th October 2011 and the tax base for Grant purposes was 54,806.60 band D equivalent properties.
- 1.7 For the purposes of setting the tax base for calculating the Council Tax, the information to be used is that recorded in the valuation list and the Council Tax records as at 30 November 2011. The number of band D equivalents for each property band at that date is shown below with a comparison to the figures at the time the tax base was set for 2011-12.

2011-12			2012-13	
Last Year Totals	Band 'D' Equivalents	Band	Total	Band 'D' Equivalents
4.50	2.5	A*	4.50	2.5
5,625.80	3,750.5	A	5,636.00	3,757.3
8,755.55	6,809.9	B	9,023.20	7,018.0
37,415	33,257.8	C	38,259.90	34,008.8
7,363.8	7,363.8	D	7,563.90	7,563.9
1,505.35	1,839.9	E	1,513.95	1,850.4
311.8	450.4	F	310.05	447.9
39.8	66.3	G	39.70	66.2
6.7	13.4	H	6.90	13.8
61,028.30	53,554.5		62,358.10	54,728.8

*Disabled person's reductions

2. Adjustments

- 2.1 When determining the tax base for the purpose of setting the Council Tax an allowance has been made for non collection. The losses on collection allowance for 2012-13 has been assessed as 3.0%, which is the same as the previous year.
- 2.2 The adjustment, expressed as band D equivalents, is shown below.

Basic tax base at 30 November 2011	54,728.8
Losses on collection allowance at 3.0%	-1,641.9
Final Tax Base for 2012-13	<u>53,086.9</u>

- 2.3 When compared to the Tax Base for 2011-12 of 52,723.7, there has been an increase equivalent to 363.20 band D properties (0.7% of the Tax Base).
- 3.3 A fully detailed calculation of the tax base is contained in **Appendix A1**