

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 1 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%.

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
- Properties left unoccupied because the occupier has died

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.

c) Empty Properties

Properties that are unoccupied and unfurnished and have been so for 2 years or more are charged an additional 50% of the applicable council tax.

The government has confirmed its intention to abolish class A and C exemptions for empty properties to be replaced with locally set discounts.

d) Exemptions

There are 21 categories of property which are exempt. The main exemption that applies in Barking and Dagenham are properties occupied by students.

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.

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 11 October 2012 and the tax base for Grant purposes was 55,332.20 band D equivalent properties.

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 2012. 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 2012-13.

f) Reductions for second homes

Second homes are eligible for a 10% discount for 30 days. After this time the full council tax applicable to the property is charged.

g) Discounts for tax payers that qualify for the Council's council tax reduction scheme

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Discounts are awarded to residents who claim and who qualify for a discount under the Council's council tax reduction scheme which is set out in a report to be considered by Council at the assembly meeting on 14 January 2013.

2012-13			2013-14	
Last Year Totals	Band 'D' Equivalent	Band	Total	Band 'D' Equivalent
4.50	2.50	A*	4.50	2.50
5,636.00	3,757.30	A	5,492.75	3,661.80
9,023.20	7,018.00	B	9,073.05	7,056.80
38,259.90	34,008.80	C	38,585.85	34,298.50
7,563.90	7,563.90	D	7,746.35	7,746.40
1,513.95	1,850.40	E	1,563.10	1,910.50
310.05	447.90	F	315.20	455.30
39.70	66.20	G	39.30	65.50
6.90	13.80	H	4.90	9.80
62,358.10	54,728.80		62,825.00	55,207.10
Council Tax support scheme				(13,883.96)
Council Tax new discount scheme for empty properties				672.65
Estimated 2013/14 Band D equivalent				41,995.79

*Disabled person's reductions

2. Adjustments

- 2.1 The table above has additional adjustments for the Council Tax support scheme based upon a 15% reduction in liability for working age applicants and the changes made to exemptions for empty properties as explained in the tax base report.
- 2.2 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 2013-14 has been assessed as 3%, in the previous year it was set at 3%, In

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addition this year a further allowance for loss in collection has been made for the Council Tax support scheme.

2.2 The adjustment, expressed as band D equivalents, is shown below.

Estimated 2013/14 Band D equivalent	41,995.79
Losses on collection allowance at 3%	(1235.74)
Losses in collection allowance (Council Tax support scheme)	(804.39)
Final Tax Base for 2013-14	39,955.66

3.4 A fully detailed calculation of the tax base is contained in **Appendix A1**