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Reference:  
Date: 2 December 2019

Dear All

## **CABINET - THURSDAY, 5TH DECEMBER, 2019**

Please see the attached report for consideration at the Cabinet meeting on Thursday 5 December 2019 which was unavailable when the agenda was printed.

### **Agenda No    Item**

16      **Calculation of Council Tax Base** (Pages 3 - 14)

Kind regards,

**Caroline Britt**  
Democratic Services Officer

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## Cabinet

**5 December 2019**

Is the final decision on the recommendations in this report to be made at this meeting?

**Yes**

## Council Tax – Calculation of Tax Base 2020/21

|                             |   |
|-----------------------------|---|
| <b>Final Decision-Maker</b> | Cabinet   |
| <b>Portfolio Holder(s)</b>  | Councillor Tom Dawlings – Portfolio Holder for Finance and Governance |
| <b>Lead Director</b>        | Lee Colyer – Director of Finance, Policy & Development                |
| <b>Head of Service</b>      | Jane Fineman – Head of Finance & Procurement                          |
| <b>Lead Officer/Author</b>  | Jane Fineman – Head of Finance & Procurement                          |
| <b>Classification</b>       | Non-exempt  |
| <b>Wards affected</b>       | All   |

**This report makes the following recommendations to the final decision-maker:**

1. That the Tunbridge Wells Tax Base, as shown in Appendix B of this report, be approved.

**This report relates to the following Five Year Plan Key Objectives:**

- A Prosperous Borough
- A Green Borough
- A Confident Borough

**Timetable**

| <i><b>Meeting</b></i>            | <i><b>Date</b></i>              |
|----------------------------------|---------------------------------|
| Management Board                 | 23 October 2019 (Verbal update) |
| Discussion with Portfolio Holder | 12 November 2019                |
| Cabinet Advisory Board           | 12 November 2019                |
| Cabinet                          | 5 December 2019                 |

Tunbridge Wells Committee Report, version: April 2017

## **Council Tax – Calculation of Tax Base 2020/21**

### **1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 As part of the Council Tax setting process for the coming year the Council is required to calculate the Tax Base in the period 1st December to 31st January. The Tax Base must be notified to Kent County Council, Kent Police Authority, Kent and Medway Fire & Rescue Authority and the Parishes by 31st January 2020.
  - 1.2 This report details the calculations of the 2020/21 Tax Base and recommends tax base levels for the Borough as a whole and the special expenses, town and parish council areas.
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### **2. INTRODUCTION AND BACKGROUND**

- 2.1 The Council is required to calculate the Tax Base in the period 1st December to 31st January.
  - 2.2 A new statutory instrument setting out how the Tax Base must be calculated was created on the 20th November 2012 and came into force on the 30th November 2012. It recognises the need to calculate the effects of the changes introduced by the Welfare Reform Act. The national scheme for council tax benefit ceased on the 31st March 2013 and was replaced by a new locally determined discount scheme. The tax base now reflects the Councils own scheme.
  - 2.3 Calculations must still be made for the whole of the Borough area and for each parish council, town council and special expense area.
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### **3. AVAILABLE OPTIONS**

- 3.1 The Council is required by statute to create a Tax Base, so cannot “do nothing”.
  - 3.2 This report provides a recommended Tax Base which has been calculated to comply with the new statutory instrument, using a combination of actual Council Tax property data and a forecast of properties to be completed by 2020/21. There is little scope for critical judgement except where the number of new properties needs to be estimated. Planning approvals information is combined with site visits to estimate the number of properties likely to be completed. The forecast Tax Base can be accepted as recommended or an alternative proposal as to the method of calculation of additional properties can be proposed.
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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

## 4.1 The calculation takes into account:

- The number of dwellings in each tax band
- The estimated additions and subtractions during the year
- Exemptions
- Disabled Persons Relief adjustments
- Discounts for single occupancy and empty properties
- Council Tax Reduction provided by the Tunbridge Wells Borough Council
- Collection Rate

## 4.2 The council made the following changes to discounts for 2013/14:

- i. To charge a 50% Council Tax premium on property that has been empty for more than 2 years. Previously, if a property remained empty for more than 6 months, full Council Tax would be levied.
- ii. To remove the exemption for properties empty for between 3 and 6 months. They are now charged full Council Tax.
- iii. To reduce the discount for properties empty for up to 12 months due to the need for substantial refurbishment or repair, from 100% to 75%.
- iv. To remove the 10% discount on second homes.
- v. To remove the exemption for properties where the mortgagee is in possession
- vi. To fully protect Pensioner household benefits and protect 81.5% of working age households benefits.

## 4.3 In 2014/15 there were further changes to discounts 4.2ii and 4.2iii above and 4.2v was deleted as follows:

- a) To remove the exemption for properties empty for between 2 and 3 months (see 4.2ii)
- b) To reduce the discount for properties empty for up to 12 months due to the need for substantial refurbishment or repair, from 100% to 50% (see 4.2iii).
- c) Legislation to approve 4.2v was anticipated to be passed in 2013, however, was eventually rejected.

## 4.4 In 2015/16 changes were made extending 4.2ii and 4.3a, and 4.2iii and 4.3b:

1. To remove the exemption for properties empty for between 1 and 2 months (see 4.2ii and 4.3a)
2. To reduce the discount for properties empty for up to 12 months due to the need for substantial refurbishment or repair, from 50% to 25% (see 4.2iii and 4.3b).

## 4.5 2016/17 remained unchanged, but Cabinet approved changes to discounts awarded for 2017/18 on the 9 February 2017 as follows:

- A. To remove the exemption for properties empty for up to 1 month (see 4.2ii, 4.3a and 4.4 1)
- B. To remove the 25% discount for properties empty for up to 12 months due to the need for substantial refurbishment or repair. Tunbridge Wells Borough Council will only consider a discount of 25% where a property is uninhabitable

because of a natural disaster, flooding, or malicious damage which can be substantiated by a police report number (see 4.2iii, 4.3b and 4.4 2).

4.6 In 2018/19 Full Council approved a revised Council Tax Long Term Empty Premium be implemented for the financial years 2019/20, 2020/21 and 2021/22 as follows:

1. To levy a 100% premium for properties that have been empty for more than 2 years from 1 April 2019.
2. To levy a 200% premium for properties that have been empty for over 5 years from 1 April 2020.
3. To levy a 300% premium for properties that have been empty for over 10 years from 1 April 2021.

4.7 There will be no further changes made in 2020/21.

4.8 The removal of the National Council Tax Benefit Scheme and replacement with a Local Council Tax Support Scheme has the effect of reducing the tax base. Pensioner households have had their benefits fully protected, whilst working age households had 81.5% of their benefits protected until 2016/17. In 2017/18 the protection was reduced to 80% and there were various other smaller changes to eligibility for the scheme. There are no changes to either the levels of protection or eligibility proposed for 2020/21. The number of claimants has reduced a little in 2019/20 and it is forecast that there will be no change from the present actual level of claims as detailed in Appendix B.

4.9 As part of the overall calculation the Council must estimate the collection rate for the year. This is the total of the amounts which are likely to be paid to the Council as a proportion of the total amounts payable. Prior to the abolition of the national scheme the council had estimated an overall collection rate (as opposed to an in year collection rate) of 99.0%. This was reduced to 98.7% in 2013/14 as working households were required to make a minimum contribution to the council tax charged. It had been kept at this level, but actual write offs of Council Tax indicated that the collection rate over the life of the debts had improved slightly. It was therefore increased by 0.1% from 98.7% to 98.8% in 2019/20. It should be noted that the in year collection rate is not reflective of the council's ability to collect that debt over subsequent years and collection rates are constantly monitored to ensure the Tax Base is current.

4.10 For charging purposes the relationship between the valuation bands is as follows:

|                          |      |                              |
|--------------------------|------|------------------------------|
| A with disabled discount | 5/9  |                              |
| A                        | 6/9  | i.e. will pay 2/3 of B and D |
| B                        | 7/9  |                              |
| C                        | 8/9  |                              |
| D                        | 9/9  |                              |
| E                        | 11/9 |                              |
| F                        | 13/9 |                              |
| G                        | 15/9 |                              |
| H                        | 18/9 | i.e. will pay twice B and D  |

- 4.11 The Tax Base is determined in Band D equivalents. It therefore indicates the amount that will be raised if an amount of £1 is charged on Band D properties.
- 4.12 The Tax Base for the whole borough for 2020/21 is 46,277.10 (45,693.60 in 2019/20), which represents a 1.28% increase in the year. The actual number of dwellings in the Borough has increased by 504 thus far in 2019/20. The number of households claiming Council Tax support has reduced a little, but it is encouraging that a further 698 new dwellings are anticipated to be occupied in 2020/21.
- 4.13 This report highlights that there continues to be growth in the number of households claiming the single person discount. Funding has now been approved and a contract awarded to “TransUnion” to carry out some work to verify that all claimants are genuine. This could affect the number of claimants going forward.

## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Council has been through a formal public consultation for each of the changes detailed above.

### RECOMMENDATION FROM CABINET ADVISORY BOARD

- 5.2 A verbal update on this report was given to the Finance and Governance Advisory Board on 12 November 2019.

## 6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Tax Base must be notified to Kent County Council, Kent Police Authority and Kent and Medway Fire & Rescue Authority by 31 January 2020.
- 6.2 The individual parish Tax Bases will also be communicated to the Town and Parish Councils by 31 January 2020.
- 6.3 Notifications are made to Kent County Council, Kent Police Authority and Kent and Medway Fire & Rescue Authority by email in their own required format. Town and Parish Councils will receive a letter informing them of their Tax Base.

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue                                   | Implications   | Sign-off   |
|---|--|--|
| <b>Legal</b> including Human Rights Act | The tax base has been calculated in accordance with the new statutory instrument 2012 No. 2914 COUNCIL TAX, ENGLAND that came into force on the 30 <sup>TH</sup> November 2012.<br><br>All public consultations necessary to implement | Legal fee earner – Patricia Narabor, Head of Legal Partnership |

|                                       |   |  |
|---------------------------------------|---|--|
|                                       | the new locally determined council tax discount scheme have been carried out.   |  |
| <b>Finance and other resources</b>    | The report details the calculation of the Council Tax Base which is part of the 2020/21 budget setting process.   | Jane Fineman - Head of Finance & Procurement |
| <b>Staffing establishment</b>         | No additional resources are expected.   | Jane Fineman - Head of Finance & Procurement |
| <b>Risk management</b>                | There is risk to the budget from the level of collection rate. Vulnerable households may not pay their contribution.  | Jane Fineman - Head of Finance & Procurement |
| <b>Environment and sustainability</b> | There are no relevant issues.   | Jane Fineman - Head of Finance & Procurement |
| <b>Community safety</b>               | There are no relevant issues.   | Jane Fineman - Head of Finance & Procurement |
| <b>Health and Safety</b>              | There are no relevant issues.   | Jane Fineman - Head of Finance & Procurement |
| <b>Health and wellbeing</b>           | There are no relevant issues.   | Jane Fineman - Head of Finance & Procurement |
| <b>Equalities</b>                     | An equalities impact assessment was a substantial part of the approval of the locally determined discount scheme and this has not been altered for 2020/21. | Jane Fineman - Head of Finance & Procurement |

## 8. REPORT APPENDICES

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

- Appendix A: Council Tax Base by Parish/Town Council and Special Expense Area 2020/21
- Appendix B: Council Tax Base 2020/21 Summary

## 9. BACKGROUND PAPERS

- Localisation of Council Tax Support (Cabinet: 22 November 2012):  
[http://democracy.tunbridgewells.gov.uk/meetings/documents/s7669/TWBC\\_LCTD\\_S%20141112%20agenda%20version%202.pdf](http://democracy.tunbridgewells.gov.uk/meetings/documents/s7669/TWBC_LCTD_S%20141112%20agenda%20version%202.pdf)
- Statutory Instruments 2012 No.2914 The Local Authorities (Calculation of Council Tax Base) (England) Regulations
- Council Tax Reduction Scheme 2016/17 (Cabinet: 12 November 2015):  
<http://democracy.tunbridgewells.gov.uk/meetings/documents/s24602/7%20-%20Council%20Tax%20Reduction%20Scheme%202016-17%20-%20Report.pdf>



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- Council Tax Reduction Scheme 2017/18 (Cabinet: 27 October 2016):  
<http://democracy.tunbridgewells.gov.uk/meetings/documents/s29515/12%20Council%20Tax%20Reduction%20Scheme%202017-18%20-%20Report.pdf>
- Council Tax Reduction Scheme 2019/20 (Full Council: 26 September 2018)  
<http://democracy.tunbridgewells.gov.uk/meetings/documents/g4206/Public%20reports%20pack%2026th-Sep-2018%2018.30%20Full%20Council.pdf?T=10>
- Council Tax Long Term Empty Premium (Full Council: 27 February 2019)  
<http://democracy.tunbridgewells.gov.uk/meetings/documents/s41627/9%20Council%20Tax%20Long%20Term%20Empty%20Premium.pdf>
- Council Tax Reduction Scheme 2020/21 (Cabinet: 12 September 2019)  
<http://democracy.tunbridgewells.gov.uk/meetings/documents/s44678/14%20Council%20Tax%20Reduction%20Scheme%202020-21.pdf>

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## Appendix A

The Council Tax Base for the year 2020/21 will be as follows:

|                                  | 2020/21  | 2019/20<br>for comparison | Variance | Percentage |
|----------------------------------|----------|---------------------------|----------|------------|
| For the whole area               | 46,277.1 | 45,693.6                  | 583.5    | 1.28%      |
| Tunbridge Wells Special Expenses | 19,927.7 | 19,553.7                  | 374.1    | 1.91%      |
| Southborough Special Expenses    | 4,329.4  | 4,310.5                   | 18.9     | 0.44%      |
| Capel Special Expenses           | 934.8    | 929.7                     | 5.2      | 0.56%      |
| Rusthall Special Expenses        | 1,618.3  | 1,609.4                   | 8.9      | 0.55%      |
| Benenden                         | 923.9    | 915.6                     | 8.3      | 0.91%      |
| Bidborough                       | 548.6    | 538.6                     | 10.1     | 1.87%      |
| Brenchley                        | 1,432.8  | 1,432.8                   | 0.0      | 0.00%      |
| Cranbrook & Sissinghurst         | 2,646.8  | 2,622.4                   | 24.4     | 0.93%      |
| Frittenden                       | 399.6    | 393.7                     | 6.0      | 1.52%      |
| Goudhurst                        | 1,360.7  | 1,348.5                   | 12.2     | 0.90%      |
| Hawkhurst                        | 2,081.9  | 1,989.8                   | 92.1     | 4.63%      |
| Horsmonden                       | 1,019.5  | 1,019.4                   | 0.0      | 0.00%      |
| Lamberhurst                      | 751.1    | 742.0                     | 9.1      | 1.22%      |
| Paddock Wood                     | 2,956.2  | 2,956.2                   | 0.0      | 0.00%      |
| Pembury                          | 2,317.0  | 2,302.7                   | 14.3     | 0.62%      |
| Sandhurst                        | 607.7    | 607.7                     | 0.0      | 0.00%      |
| Speldhurst                       | 2,421.1  | 2,421.1                   | 0.0      | 0.00%      |

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**TUNBRIDGE WELLS BOROUGH COUNCIL TAX BASE 2020/21**

|                                      | Band A Disabled | Band A          | Band B          | Band C           | Band D           | Band E          | Band F          | Band G          | Band H          | TOTAL 2020/21    | TOTAL 2019/20    |
|--------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Dwellings                            | 0.00            | 3,426.00        | 5,254.00        | 13,631.00        | 10,226.00        | 6,723.00        | 4,652.00        | 5,222.00        | 555.00          | 49,689.00        | 49,185.00        |
| Voids                                | 0.00            | -8.00           | -5.00           | -9.00            | -15.00           | -5.00           | -5.00           | -6.00           | 0.00            | -53.00           | -35.00           |
| Exemptions                           | 0.00            | -187.00         | -177.00         | -268.00          | -210.00          | -118.00         | -85.00          | -55.00          | -7.00           | -1,107.00        | -1,026.00        |
| Additions                            | 0.00            | 19.89           | 64.57           | 162.41           | 206.84           | 167.23          | 47.88           | 25.32           | 3.63            | 697.78           | 645.30           |
| Disabled Relief                      | 1.00            | 4.00            | 30.00           | -8.00            | 1.00             | -7.00           | 3.00            | -23.00          | -1.00           | 0.00             | 0.00             |
| <b>Chargeable Dwellings</b>          | <b>1.00</b>     | <b>3,254.89</b> | <b>5,166.57</b> | <b>13,508.41</b> | <b>10,208.84</b> | <b>6,760.23</b> | <b>4,612.88</b> | <b>5,163.32</b> | <b>550.63</b>   | <b>49,226.78</b> | <b>48,769.30</b> |
| Discounts                            |                 |                 |                 |                  |                  |                 |                 |                 |                 |                  |                  |
| -----25%                             | 5.00            | 2,244.00        | 2,778.00        | 4,906.00         | 2,981.00         | 1,621.00        | 932.00          | 714.00          | 35.00           | 16,216.00        | 15,687.42        |
| -----50%                             | 0.00            | 36.00           | 16.00           | 17.00            | 12.00            | 6.00            | 8.00            | 23.00           | 3.00            | 121.00           | 114.00           |
| -----63%                             | 0.00            | 1.00            | 2.00            | 0.00             | 0.00             | 0.00            | 0.00            | 0.00            | 0.00            | 3.00             | 3.00             |
| -----10%                             | 0.00            | 22.00           | 41.00           | 53.00            | 56.00            | 31.00           | 24.00           | 36.00           | 12.00           | 275.00           | 274.00           |
| <b>Discount Deduction</b>            | <b>1.25</b>     | <b>581.83</b>   | <b>707.86</b>   | <b>1,240.30</b>  | <b>756.85</b>    | <b>411.35</b>   | <b>239.40</b>   | <b>193.60</b>   | <b>11.45</b>    | <b>4,143.89</b>  | <b>4,003.16</b>  |
| <b>"National" Net Dwellings</b>      | <b>-0.25</b>    | <b>2,673.06</b> | <b>4,458.71</b> | <b>12,268.11</b> | <b>9,451.99</b>  | <b>6,348.88</b> | <b>4,373.48</b> | <b>4,969.72</b> | <b>539.18</b>   | <b>45,082.89</b> | <b>44,761.14</b> |
| Long Term Empty Class C Premium      | 0.00            | 10.00           | 19.00           | 27.00            | 20.00            | 12.00           | 5.00            | 3.00            | 1.00            | 97.00            | 103.00           |
| Long Term Empty Over 5 years Premium |                 | 2.00            | 9.00            | 13.00            | 5.00             | 5.00            | 0.00            | 1.00            | 1.00            | 36.00            | 0.00             |
| Empty Exempt Class C                 | 0.00            | 64.00           | 81.00           | 124.00           | 88.00            | 44.00           | 34.00           | 23.00           | 2.00            | 460.00           | 368.00           |
| Repairs Class A                      | 0.00            | 0.00            | 0.00            | 0.00             | 0.00             | 1.00            | 0.00            | 0.00            | 0.00            | 1.00             | 4.00             |
| Second Home Class B                  | 0.00            | 2.20            | 4.10            | 5.30             | 5.60             | 3.10            | 2.40            | 3.60            | 1.20            | 27.50            | 27.40            |
| <b>TWBC Net Dwellings</b>            | <b>-0.25</b>    | <b>2,751.26</b> | <b>4,571.81</b> | <b>12,437.41</b> | <b>9,570.59</b>  | <b>6,413.98</b> | <b>4,414.88</b> | <b>5,000.32</b> | <b>544.38</b>   | <b>45,704.39</b> | <b>45,263.54</b> |
| CT Reduction Scheme                  | -0.80           | -596.96         | -770.80         | -1,301.00        | -482.38          | -92.97          | -33.38          | -10.25          | 0.00            | -3,288.54        | -3,405.28        |
| <b>Total Net Dwellings</b>           | <b>-1.05</b>    | <b>2,154.30</b> | <b>3,801.01</b> | <b>11,136.41</b> | <b>9,088.21</b>  | <b>6,321.01</b> | <b>4,381.50</b> | <b>4,990.07</b> | <b>544.38</b>   | <b>42,415.85</b> | <b>41,858.26</b> |
| <b>Band D Equivalent</b>             | <b>-0.59</b>    | <b>1,436.20</b> | <b>2,956.34</b> | <b>9,899.00</b>  | <b>9,088.21</b>  | <b>7,725.65</b> | <b>6,328.83</b> | <b>8,316.79</b> | <b>1,088.76</b> | <b>46,839.20</b> | <b>46,248.60</b> |

\* Council Tax Reduction Scheme

| TAX BASE CALCULATION |                  |
|----------------------|------------------|
| Total Band D         | 46,839.20        |
| Collection Rate      | 98.80%           |
| <b>Tax Base</b>      | <b>46,277.10</b> |

| 2019/20          |
|------------------|
| 46,248.60        |
| 98.80%           |
| <b>45,693.60</b> |

| Variance      |
|---------------|
|               |
| <b>583.50</b> |
| <b>1.28%</b>  |

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