

# CHESHIRE EAST COUNCIL

## Cabinet

---

**Date of Meeting:** 10<sup>th</sup> December 2013  
**Report of:** Chief Operating Officer  
**Subject/Title:** Council Tax Base 2014/2015  
**Portfolio Holder:** Cllr P Raynes, Finance

---

### **1.0 Report Summary**

- 1.1 This report notifies Cabinet of the Council Tax Base for Cheshire East and identifies important changes to the calculation of the tax base for 2014/2015.

### **2.0 Recommendation**

- 2.1 That Cabinet, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, recommends to Council, the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2014/2015 as 137,548.53 for the whole area.

### **3.0 Reason for Recommendation**

- 3.1 In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 Cheshire East Council is required to agree its tax base before 31 January 2014.

### **4.0 Wards Affected**

- 4.1 All

### **5.0 Local Ward Members**

- 5.1 All

### **6.0 Policy Implications**

- 6.1 N/a

### **7.0 Financial Implications**

- 7.1 The calculation of the taxbase contributes to the calculation of overall funding for Cheshire East Council in each financial year.

- 7.2 The continued replacement of Council Tax Benefit with Council Tax Support has the effect of reducing the taxbase, as reductions under this scheme are provided as a discount to Council Tax liability as opposed to a rebate (which was subsequently repaid to the Council via Central Government subsidy).

## **8.0 Legal Implications**

- 8.1 In accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended and Chapter 4 of the Council's Constitution, the calculation of the Council Tax Base is a matter for full Council following a recommendation by Cabinet.

## **9.0 Risk Management**

- 9.1 Confirmation of the Council Tax base for 2014/2015 ensures that the statutory requirement to set the Tax Base is met.
- 9.2 Estimates contained within the Council Tax Base calculation, such as the loss on collection and caseload for Council Tax Support, will be monitored throughout the year. Any significant variation will be reflected in a surplus or deficit being declared in the Collection Fund which is then shared amongst the major precepting authorities.

## **10.0 Background**

- 10.1 Cheshire East Council is required to approve its Tax Base before 31 January 2014 so that the information can be provided to the Police and Crime Commissioner and Cheshire Fire Authority for their budget processes. Details for each parish area are set out in **Appendix A**.
- 10.2 The Tax Base for the area is the estimated number of chargeable dwellings expressed as a number of Band D equivalents adjusted for an estimated number of discounts, exemptions, disabled relief and appeals plus an allowance for non-collection. A reduction of 1.25% is included in the Tax Base calculation to allow for anticipated levels of non-collection. Recently collection rates of 99% have been achieved over two years, but changes to Council Tax discounts, specifically the introduction of Council Tax Support, are having an impact on this indicator. Nationally Council's are seeing small reductions in collection rates, so the anticipated level of non-collection at Cheshire East has been increased from 1% to 1.25%. Processes to collect Council Tax in this area continue to be effective and will be reviewed throughout the year.
- 10.3 The Tax Base has been calculated in accordance with the Council's policy to offer no reduction for empty properties. However discretionary reductions will continue to be allowed, for landlords, under Section 13A of the Local Government Finance Act 1992 for periods of up to 8 weeks between tenancies. This is no change from 2013/2014.

- 10.4 The Tax Base includes an estimate for c.750 new homes to be built or brought back into use for 2014/2015.
- 10.5 The Council Tax Support Scheme is not set to change for 2014/2015 other than the usual CPI inflationary increases. A predicted increase in claimant numbers is likely to result in the requirement for additional support therefore an additional 1% allowance has been made available within the tax base to cover this increased demand.

## **11.0 Access to Information**

- 11.1 The background papers relating to this report can be inspected by contacting the report writer:

Name:	Peter Bates
Designation:	Chief Operating Officer
Tel No:	01270 686013
Email:	<a href="mailto:peter.bates@cheshireeast.gov.uk">peter.bates@cheshireeast.gov.uk</a>