

COUNCIL TAX AND MAINTAINING THE PROPERTY BASE

Introduction to Council Tax 12th July 2016

Peter Haywood IRRV (Tech) MBA

LOCAL GOVERNMENT FUNDING

- Central Government Grants
- Local Fees & Charges
 - Including Sundry Debts, Parking
- Business Rates
- Council Tax
 - Tax on domestic property

Public View of Council Tax

- Highly Visible
- Not a progressive tax
- Difficult to avoid
- Annual increases subject to referendum
- Viewed as a charge for services, not as a tax on domestic property
- Adult Social Care – April 2016

Where does Council Tax Go?

- Preceptors
 - Unitary/Metropolitan Councils
 - County Councils
 - District Councils
 - Police and Crime Commissioner
 - Fire Service
 - Parish & Town Councils

How is Council Tax Calculated?

- Calculate Budget Requirement for Council Tax
 - After taking account of other income
- Calculate Number of Chargeable Properties
 - Band D equivalent number of properties
- Divide Budget Requirement by the Band D number of properties
- Example: £10,000,000 Budget / 50,000 Band D properties
 - = Band D Council Tax amount of £200
- Each preceptor does their own calculation

The Property Base

- Local Government Finance Act 1992 – Part 1
 - Each 'billing authority' shall levy and collect a tax.....which shall be payable in respect of dwellings situated in its area
 - Dwelling:
 - Would have been liable for Rates
 - Is not in the Non Domestic rating list
 - Is not exempt from Non Domestic rating
 - May be a composite hereditament

Unusual Domestic Properties

- Mobile Caravans and Boats
 - Non Domestic, unless occupied as a sole or main residence
 - Caravan pitch or mooring
- Permanent Caravans
- Annexes
 - Self contained unit of occupation

Types of Domestic Property

- Care home for the elderly
- Sheltered housing schemes
- Halls of residence
- Bedsits/HMOs

Valuing Property

- Valuation Office
 - An agency of HMRC
 - Appoint a Listing Officer
 - Compiles the Valuation List
 - Determines whether a property is a 'dwelling' for the purposes of Council Tax
 - Decides upon the Valuation Band for the property and enters it on the list

Valuation Bands

- Value as at 1st April 1991:

Band	Value	Proportion	Example
A	Up to £40,000	6/9	£900,00
B	£40,001 to £52,000	7/9	£1,166.67
C	£52,001 to £68,000	8/9	£1,333.33
D	£68,001 to £88,000	9/9	£1,500.00
E	£88,001 to £120,000	11/9	£1,833.33
F	£120,001 to £160,000	13/9	£2,166.67
G	£160,001 to £320,000	15/9	£2,500.00
H	Exceeding £320,000	18/9	£3,000.00

The Valuation List

- Compilation
- Alterations
- Appeals
- Band Changes
- New Dwellings

Valuation List

- Important to manage and monitor the property base:
 - Inspectors
 - Local knowledge
 - Liaison with other council departments
 - Increase in the number of properties:
 - Increases Council Tax income
 - New Homes Bonus

Completion Notices

- New Dwellings
 - Work remaining can reasonably expected to be completed within a period of 3 months, or:
 - At the time of inspection, work is complete

COUNCIL TAX DISCRETIONS

- Councils can generate additional Council Tax income by
 - Reducing the amount of Council Tax Support payable
 - Increasing the amounts payable for empty properties
 - Unoccupied and unfurnished plus Premium
 - Unoccupied but furnished
 - Uninhabitable
- But this has to be collected

In Summary

- Council Tax is an important source of income for councils and other preceptors
- Residents are familiar with and highly aware of Council Tax
- Council Tax remains in the spotlight both nationally and locally