

Wiltshire Council

Cabinet

11 December 2018

Subject: Council Tax Base 2019/2020

Cabinet member: Councillor Philip Whitehead – Cabinet Member for Finance, Procurement, ICT and Operational Assets

Key Decision: No

Executive Summary

The Council is required to approve its Council Tax Base annually, in accordance with the Local Government Finance Act 1992 and The Local Authorities (Calculation of Council Tax Base (England)) Regulations 2012.

The Council Tax Base 2019/2020 has to be notified to Major Precepting Authorities (the Office of the Police & Crime Commissioner for Wiltshire & Swindon and Dorset & Wiltshire Fire and Rescue Service) and Local Precepting Authorities (Town and Parish Councils) by 31 January 2019.

Proposal

For Cabinet to:

- Consider and approve the Council Tax Base 2019/2020.
- Note that the recommended collection rate adjustments are set at 99.75% and 82.50%, to give a resulting overall collection rate adjustment of 98.92% which reflects current expectations for collection (further details are outlined in the main body of the report).
- Approve that The Chief Finance Officer is continued to be given delegated authority to determine the estimated Collection Fund balances (council tax and business rates) as at 31 March 2019 by 15 January 2019.

Reason for Proposal

Before the Council Tax can be set by the Council in February 2019 a calculation has to be made and approved of the Council Tax Base, which is an annual requirement as laid out in the Local Government Finance Act 1992.

Alistair Cunningham

Corporate Director Growth, Investment & Place

Wiltshire Council

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Key Decision: No

Purpose of Report

1. To ensure that the Council Tax Base for 2019/2020 is approved by Cabinet.

Relevance to the Council's Business Plan

2. There is a statutory requirement for the Council Tax Base to be set. The Tax Base is used to calculate the Council Tax Requirement included in the Financial Plan which supports the Council's Business Plan.

Main Considerations for the Council

3. The calculation of the Council Tax Base for the year 2019/2020 has to be approved.
4. The Chief Finance Officer is given delegated authority to determine the estimated Collection Fund balances (council tax and business rates) as at 31 March 2019 by 15 January 2019.

Background

5. The Council Tax Base is the taxable capacity of an area (e.g. Wiltshire) or part of an area (e.g. a Parish/Town Council).
6. The County of Wiltshire is split into 2 primary taxable areas: the Wiltshire Area and the Swindon Area. Wiltshire Council is responsible for setting the Council Tax Base for the Wiltshire Area whilst Swindon Borough Council is responsible for setting the Council Tax Base for the Swindon Area.
7. The Council Tax Base 2019/2020 has to be notified to Major Precepting Authorities (the Office of the Police & Crime Commissioner for Wiltshire & Swindon and Dorset & Wiltshire Fire and Rescue Service) and Local Precepting Authorities (Town and Parish Councils) by 31 January 2019.

Council Tax Base Calculation

8. This is a two stage process:

Completion of CTB1 Form to Central Government

9. The starting point for the calculation is the list of properties and their tax band as at 10 September 2018 which has been supplied to the Council by the external Valuation Office, which is an executive agency of HM Revenue & Customs (HMRC).
10. The list is broken down into Town and Parish order and then adjusted to allow for various discounts, reductions and exemptions, for each band, which it holds on 1 October 2018. These include:
- Properties which will be entirely exempt so no tax is payable e.g. those occupied entirely by students.
 - Properties which will attract a 25% reduction e.g. those with a single adult occupier.
 - Properties which will attract a 50% reduction e.g. those where all of the adult residents qualify for a reduction (certain Care Homes for example).
 - Properties which attract a 50% levy because they have been unoccupied for over 2 years
 - Properties which will be treated as being in a lower band because they have been adapted for a severely disabled person.
 - Properties which will be on the valuation list but which attract discounts or disablement relief or are exempt, for only part of the year.
 - Properties which are in receipt of local council tax support
11. This results in an estimate of the number of full year equivalents within each band.
12. Each band is then converted into "band D equivalents" by applying the factor laid down by legislation.

| Band | A | B | C | D | E | F | G | H |
|-------|-----|-----|-----|-----|------|------|------|------|
| Ratio | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 |

(For example, a band A property is multiplied by 6 and divided by 9 to arrive at the "band D equivalent" figure, whilst a band H property is multiplied by 18 and divided by 9 (equal to multiplying by 2). All these are then added together to give a total of "band D equivalents").

13. The total is then adjusted in respect of class O exempt dwellings. This refers to an adjustment to add in a consolidated figure for the MOD estate.
14. This final figure provides a tax base that is submitted to Central Government by 12 October 2018 This form was previously used in

calculating Revenue Support Grant allocations but this is no longer the case.

Adjusting CTB1 Tax Base to set Council Tax Base for 2019/2020

15. Additions are made to the tax base for estimates of newly built and occupied properties in 2019/2020 and the remaining part of 2018/2019.
16. The Council is then required to decide what its collection rate is likely to be and multiply its relevant tax base by this percentage to give its Council Tax Base (see Adjustment for Collection Rate in the table, paragraph 18). A collection rate of 100% would assume 100% collection and thus a zero adjustment whereas a collection rate of less than 100% allows for an element of non-collection and subsequently results in a reduction to the Tax Base.
17. In 2018/2019 the Council set its collection rate at 99.75% with an adjusted collection rate of 82.50% where local council tax support reductions (discounts) in respect of working age claimants were applied. The resulting 2018/2019 overall collection rate adjustment was 98.88%. For 2019/2020 this report recommends that it is prudent to retain both collection rates at 99.75% and 82.50% respectively as this reflects current expectations for collection; current debt levels are consistent with previous years and although Universal Credit is now being rolled out, at this stage the cohort affected is not material but will be kept under review. There have been no other changes to the Council Tax Reduction scheme. The resulting 2019/2020 overall collection rate adjustment is 98.92%.
18. The following table summarises the calculation:

| | Wiltshire Council Taxbase (Number of band D Equivalent Properties) |
|--|---|
| Approved Council Tax Base 2018/2019 | 182,705.43 |
| Council Tax Base 2019/2020: | |
| Council Tax Base per CTB1 Form (as at 12 October 2018) | 184,896.40 |
| Adjustment for New Builds | 2,725.95 |
| Adjustment for Discount Review | 421.84 |
| Adjustment for Collection Rate | (2,031.19) |
| Council Tax Base 2019/2020 | 186,013.00 |

19. To calculate the Band D Council Tax for Wiltshire Council, the Council Tax Base is divided into the Council's Council Tax Requirement. The Council Tax Requirement is formally set at the budget setting meeting of Full Council on 26 February 2019. This date is subject to Wiltshire Council being notified of the major precepting requirements.
20. An estimate of the surplus or deficit on the Council Tax Collection Fund has to be made, by law, on or before 15 January 2019. Council Tax surplus or deficits will be credited or charged to Wiltshire Council, the Office of the Police & Crime Commissioner for Wiltshire & Swindon and Dorset & Wiltshire Fire and Rescue Service in proportion to their precepts, and will be taken into account in setting the 2019/2020 Revenue Budget and Council Tax levels.
21. The Council Tax Base 2019/2020 for the whole of the Wiltshire Area broken down for each Town and Parish is set out in Appendix A. The Council Tax Base for the Wiltshire Area for 2019/2020 is 186,013.00 band D equivalent properties (182,705.43 in 2018/2019).

Overview & Scrutiny Engagement

22. The overall financial plan will be reviewed by Overview & Scrutiny.

Safeguarding Implications

23. None have been identified as arising directly from this report.

Public Health Implications

24. None have been identified as arising directly from this report.

Procurement Implications

25. None have been identified as arising directly from this report.

Equalities Impact of the Proposals (detailing conclusions identified from Equality Analysis, sections 4 and 5)

26. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

27. None have been identified as arising directly from this report.

Risk Assessment

28. There is a low risk that the Council has overestimated the number of band D properties. However, assumptions on new builds and their occupation are prudent and controls are in place to ensure large variations are investigated.

29. There is a low risk that the actual collection rate of Council Tax due is less than the anticipated level because of the current economic conditions. This risk has been assessed within this report has been reflected in the light of previous experience.

Risks that may arise if the proposed decision and related work is not taken

30. The setting of the Council Tax Base is not optional, it is a legal requirement.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

31. None identified.

Financial Implications

32. The financial implications are outlined in the report.
33. The Council Tax Base is used to calculate the level of Council Tax for the financial year 2019/2020.

Legal Implications

34. None have been identified as arising directly from this report.

Options Considered

35. The setting of the Council Tax Base is not optional, it is a legal requirement.

Conclusions

36. Having taken all of the above into account, the Council Tax Base for 2019/2020 be approved and set as 186,013.00 band D equivalent properties.

Proposal

37. For Cabinet to:
- Consider and approve the Council Tax Base 2019/2020.
 - Note that the recommended collection rate adjustments are set at 99.75% and 82.50% which reflects current expectations for collection (further details are outlined in the main body of the report). The resulting overall collection rate adjustment is 98.92%.
 - Approve that The Chief Finance Officer is continued to be given delegated authority to determine the estimated Collection Fund balances (council tax and business rates) as at 31 March 2019 by 15 January 2019.

Reason for Proposal

38. Before the Council Tax can be set by the Council in February 2019 a calculation has to be made and approved of the Council Tax Base, which is an annual requirement as laid out in the Local Government Finance Act 1992.

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21 November 2018

Background Papers

The following unpublished documents have been relied on in the preparation of this report:

None

Appendices

Appendix A – Council Tax Base for Wiltshire Council 2019/2020
