

Wiltshire Council

Cabinet

13 December 2016

Subject: Council Tax Base 2017/2018

Cabinet member: Councillor Dick Tonge - Finance

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 2017/2018 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 Town and Parish Councils, by 31 January 2017.

Proposals

For Cabinet to:

- Consider and approve the Council Tax Base 2017/2018.
- Note that the recommended collection rate adjustments are set at the same level as 2016/2017, that is 99.75% and 82.50% which reflects current expectations for collection.

Reason for Proposals

Before the Council Tax can be set by the Council in February 2017 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.

Carolyn Godfrey
Corporate Director

Wiltshire Council

Cabinet

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Subject: Council Tax Base 2017/2018

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Purpose of Report

1. To ensure that the Council Tax Base for 2017/2018 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 2017/2018 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 2017 by 15 January 2017.

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 Wiltshire & Swindon Council Tax Bases for 2017/2018 have 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 Town and Parish Councils, by 31 January 2017.

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 12 September 2016. This 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 3 October 2016. 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 14 October 2016. The 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 2017/2018*

15. Additions are made to the tax base for estimates of newly built and occupied properties in 2017/2018 and the remaining part of 2016/2017.
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. In 2016/2017 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 was applied. For 2017/2018 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.
17. The following table summarises the calculation:

	Wiltshire Council Taxbase (Number of band D Equivalent Properties)
Approved Council Tax Base 2016/2017	176,780.23
Council Tax Base 2017/2018:	
Council Tax Base per CTB1 Form (as at 14 October 2016)	179,973.80
Adjustment for New Builds	1,358.50
Adjustment for Collection Rate	(3,527.22)
Council Tax Base 2017/2018	177,805.08

18. 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 20 February 2017. This date is subject to Wiltshire Council being notified of the major precepting requirements.
19. An estimate of the surplus or deficit on the Council Tax Collection Fund has to be made, by law, on or before 15 January 2017. 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 2017/2018 Revenue Budget and Council Tax levels.

20. The Council Tax Base 2017/2018 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 2017/2018 is 177,805.08 band D equivalent properties (176,780.23 in 2016/2017).

Overview & Scrutiny Engagement

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

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

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

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

Environmental and Climate Change Considerations

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

Risk Assessment

27. 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
28. 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. The Council mitigates collection risk through its Revenue's Team collection processes, including court actions and regular reporting of performance.
29. A revision to the Council Tax Reduction Scheme, which is the subject of a separate paper to Cabinet and Council, is expected to yield only marginal differences and as such this adjustment is expected to remain unchanged. If the consultation and recommendations were not accepted by Cabinet again there will be marginal differences to the base which would not adjust the base.

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 as it is a statutory 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 2017/2018. As such the proposed base and adjustments is supported and recommended to Cabinet.

Legal Implications

34. None have been identified as arising directly from this report as it is a statutory requirement to set the Council Tax Base.

Options Considered

35. The setting of the Council Tax Base is not optional as it is a statutory requirement.

Conclusions

36. Having taken all of the above into account, the Council Tax Base for 2017/2018 be approved and set as 177,805.08 band D equivalent properties.

Michael Hudson
Associate Director Finance

Report Author: Stuart Donnelly, Head of Finance (Corporate)
Email: stuart.donnelly@wiltshire.gov.uk
Tel: 01225 718582
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Background Papers

The following documents have been relied on in the preparation of this report:
None

Appendices

Appendix A – Council Tax Base for Wiltshire Council 2017/2018
