

## **Wiltshire Council**

### **Cabinet**

**16 December 2014**

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**Subject: Council Tax Base 2015/16**

**Cabinet member: Councillor Dick Tonge - Finance, Performance, Risk, Procurement and Welfare Reform**

**Key Decision: Yes**

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#### **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) Regulations 1992.

The Council Tax Base 2015/2016 has to be notified to Major (the Office of the Police & Crime Commissioner for Wiltshire & Swindon and Wiltshire Fire and Rescue Service) and Local (Town and Parish Councils) Precepting Authorities by 31 January 2015.

#### **Proposal**

That Cabinet to:

- Consider and approve the Council Tax Base 2015/2016.
- Note that the recommended overall collection rate remains at 99.50% which reflects current expectations for collection.

#### **Reason for Proposal**

Before the Council Tax can be set by the Council in February 2015 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 Act.

**Carolyn Godfrey**  
**Corporate Director**

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### **Purpose of Report**

1. To ensure that the Council Tax Base for 2015/2016 is approved by Cabinet.

### **Background**

2. 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).
3. 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.
4. The Council Tax Base 2015/2016 has to be notified to Major (the Office of the Police & Crime Commissioner for Wiltshire & Swindon and Wiltshire Fire and Rescue Service) and Local (Town and Parish Councils) Precepting Authorities by 31 January 2015.

### **Council Tax Base Calculation**

5. This is a two stage process:

### **Completion of CTB1 Form to Central Government**

6. The starting point for the calculation is the list of properties and their tax band as at 8 September 2014 which has been supplied to the Council by the external Valuation Office, which is an executive agency of HM Revenue & Customs (HMRC).
7. 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 6 October 2014. 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 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
8. This results in an estimate of the number of full year equivalents within each band.
  9. Each band is then converted into "band D equivalents" by applying the factor laid down by legislation.

<b>Band</b>	A	B	C	D	E	F	G	H
<b>Ratio</b>	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").

10. The total is then adjusted in respect of class O exempt dwellings (MOD properties).
11. This final figure provides a tax base that is submitted to Central Government by 17 October 2014. 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 2015/2016**

12. Additions are made to the tax base for estimates of newly built and occupied properties in 2015/2016 and the remaining part of 2014/2015.
13. 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 2014/2015 the Council set its collection rate at 99.50% with an adjusted collection rate of 80% where local council tax support reductions (discounts) in respect of working age claimants was applied. For 2015/2016 this report recommends that it is prudent to retain both collection rates at 99.50% and 80% as this reflects current expectations for collection.

14. The following table summarises the calculation:

	<b>Wiltshire Council Taxbase</b> (Number of band D Equivalent Properties)
<b>Approved Council Tax Base 2014/2015</b>	<b>167,334.47</b>
<b>Council Tax Base 2015/2016:</b>	
Council Tax Base per CTB1 Form (as at 17 October 2014)	172,016.90
Adjustment for New Builds	1,632.10
Adjustment for Collection Rate	(2,806.51)
<b>Council Tax Base 2015/2016</b>	<b>170,842.49</b>

15. To calculate the Band D Council Tax for the Council, the Council Tax Base is divided into the Council's council tax requirement. This will be finalised during January and February, culminating in the Council Tax and overall budget being set by Council on 24 February 2014. This date is subject to the Council being notified of the major precepting requirements.
16. An estimate of the surplus or deficit on the Council Tax Collection Fund has to be made, by law, on or before 15 January 2015. Council Tax surplus or deficits will be credited or charged to Wiltshire Council, the Office of the Police & Crime Commissioner for Wiltshire & Swindon and Wiltshire Fire and Rescue Service in proportion to their precepts, and will be taken into account in setting the 2015/2016 Revenue Budget and Council Tax levels.
17. The Council Tax Base 2015/2016 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 2015/2016 is 170,842.49 band D equivalent properties (167,334.47 in 2014/2015).

### **Main Considerations for the Council**

18. The calculation of the Council Tax Base for the year 2015/2016 has to be approved.
19. The Chief Finance Officer is given delegated authority to determine the estimated Collection Fund balance as at 31 March 2015 by 15 January 2015.

### **Risk Assessment**

20. 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.
21. 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.

### **Equalities and diversity impact of the proposals**

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

### **Financial Implications**

23. The financial implications are outlined in the report.

24. The Council Tax Base is used to calculate the level of Council Tax for the financial year 2015/2016.

### **Legal Implications**

25. The legal implications are outlined in the executive summary of the report.

### **Public Health Implications**

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

### **Environmental Implications**

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

### **Safeguarding Implications**

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

### **Assumptions**

29. Assumptions assessed were as follows:

- a. Determination of number of band D properties (equivalent).
- b. Estimation of new property completions.
- c. Variation in discounts awarded and property exemptions.
- d. Assumption on the level of MOD contribution based on occupancy.
- e. Estimation of number of band D properties (equivalent) in respect of second homes and long term empty properties to add back into the Council Tax Base.
- f. Estimation of number of band D properties (equivalent) receiving Council Tax Support to reduce from the Council Tax Base.
- g. Consideration on effect of varying levels of collection rate.

### **Options Considered**

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

## **Conclusions**

31. Having taken all of the above into account, the Council Tax Base for 2015/2016 be approved and set as 170,842.49 band D equivalent properties.

**Michael Hudson - Associate Director Finance**

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Report Author: Stuart Donnelly  
Date of report: 6 November 2014

## **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 2015/2016