

<b>TITLE</b>	<b>Council Tax Base 2014/15</b>
<b>FOR CONSIDERATION BY</b>	Special Council Executive Committee on 30 January 2014
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director of Finance and Resources

#### **OUTCOME / BENEFITS TO THE COMMUNITY**

Set the Council Tax Base for 2014/15 in respect of the whole Borough and all constituent parts so that each precepting body can subsequently set their Council Tax budgets for the year. The higher the tax base the lower the tax burden.

#### **RECOMMENDATION**

The Special Council Executive Committee is asked to:

- 1) agree the proposed Council Tax Base, for the whole area and by Parish, as set out in the report;
- 2) approve the proposed allocation of £100,000 grant to the parishes in respect of council tax reduction as set out in the council tax base table and note the further proposed grant allocation of £50,000 in 2015/16 and nil beyond 2015/16.

#### **SUMMARY OF REPORT**

Local authorities must ensure their council tax base for the forthcoming financial year is approved by Council, or a delegated body, by 31<sup>st</sup> January each year. This year's tax base calculation continues to include the significant changes to the council tax base from 1 April 2013 arising from the changes to the council tax benefits system. Financial support to individuals for council tax, formerly known as council tax benefit, is now offered as a discount within the council tax system, known as council tax reduction. Government partly support this by providing a grant.

This years tax base calculations show that with a total of 63,359 properties on the Council Tax register as at 7<sup>th</sup> October 2013, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalents is 64,498.9 for 2014/15.

The proposed tax base for 2014/15 reflects an increase of 1.67% on the equivalent figure for the 2013/14 financial year.

The Council is also proposing to allocate £100,000 to parishes to offset most of the reduction in the council tax base for them arising from the new council tax benefits system. This has been allocated on a pro rata basis to the losses suffered by each parish from the council tax benefit changes (see the council tax base table for the proposed allocation). This is a reduction on the £165,000 allocated for this purpose in 2013/14 and it is proposed to further reduce the support in 2015/16 to £50,000 before

phasing it out completely in 2016/17

A summary of the impact of the movements on the council tax base is as follows:

- (i) The Borough had 67,465.6 properties gross at October 2013;
- (ii) The loss due to the Council Tax Benefits grant change is a reduction of 3,340 properties in 2014/15.
- (iii) The increase from changes set out in the Council Tax Support Scheme is estimated as an additional 468 properties
- (iv) The increase arising from the estimated new properties in 2014/15 and other changes is estimated at 556.8 band D equivalent properties.
- (v) The total of (i) to (iv) above is 65,150.4 properties. The bad debt provision for 2014/15 is 1% of this amount, i.e. 651.5 properties.

The net total of (i) to (v) above is 64,498.9 properties as set out in the analysis of issues.

## **Background**

The Local Authorities (Calculation of Tax Base) Regulations require the billing authority (Wokingham Borough Council) to notify its major precepting bodies (The Police and Fire Authorities) and its Parishes of the tax base for the following financial year. The precepting bodies may request this information between the 1<sup>st</sup> December 2013 and 31<sup>st</sup> January 2014.

## **Analysis of Issues**

The prescribed calculation is made as follows;

- (i) A return is made to the Dept. for Communities and Local Government (form CTB1). This analyses the valuation list as at a prescribed date into the various property bands and then provides details of discounts and exemptions;
- (ii) The Band D equivalent property numbers for tax purposes for the whole of the area are broken down into each constituent Parish area;
- (iii) An adjustment is made to allow for the impact of council tax reduction grant (which reduces the Band D equivalent property numbers in each area and overall);
- (iv) An estimate of unbanded and new properties expected to be banded during 2014/15 are added;
- (v) An adjustment is then made to take account of bad debts. This has been maintained at 1.0% as in previous years.

The resultant outcome reflects the tax base for the coming financial year in accordance with the table below:

<i>Parish</i>	<i>Share of £100k CTR grant</i>	<i>2014/15 Tax Base</i>
<i>Arborfield &amp; Newland</i>	2,521.12	1,259.5
<i>Barkham</i>	337.78	1,427.8
<i>Charvil</i>	861.94	1,382.2
<i>Earley</i>	14,007.79	11,664.5
<i>Finchampstead</i>	2,040.92	5,653.7
<i>Remenham</i>	0	309.3
<i>Ruscombe</i>	518.28	487.9
<i>St. Nicholas Hurst</i>	279.67	1,022.8
<i>Shinfield</i>	8,517.81	4,591.3
<i>Sonning</i>	809.48	787.5
<i>Swallowfield</i>	303.30	956.3
<i>Twyford</i>	1,299.09	2,944.0
<i>Wargrave</i>	2,474.02	2,077.7
<i>Winnersh</i>	3,075.13	3,800.7
<i>Wokingham Town</i>	17,072.40	13,600.5
<i>Wokingham Without</i>	2,661.10	3,073.3
<i>Woodley</i>	43,220.17	9,459.9
<b><i>Whole Area</i></b>	<b>£100,000.00</b>	<b>64,498.9</b>

### Corporate Implications

The income from council tax provides support to overall funding of Council services.

### FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	Yes	Revenue
Next Financial Year (Year 2)	N/A	Yes	Revenue
Following Financial Year (Year 3)	N/A	Yes	Revenue

#### Other financial information relevant to the Recommendation/Decision

The revised tax base and total grant allocation will be factored in to the 2014/15 budget setting process.

#### Cross-Council Implications

Council tax income contributes to the funding of all services

#### List of Background Papers

CTB1 return – October 2013;  
Medium Term Financial Plan;

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