

TITLE	Council Tax Base 2017/18 and Empty Property Discounts
FOR CONSIDERATION BY	Special Council Executive Committee on 26 January 2017
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services

OUTCOME / BENEFITS TO THE COMMUNITY

Set the Council Tax Base for 2017/18 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 £60,000 grant to the parishes in respect of council tax reduction as set out in the council tax base table.
- 3) approve the levels of discount for Council Tax charging in respect of certain classes of empty property in accordance with the details set out in this report.

SUMMARY OF REPORT

Council Tax Base

Local authorities must ensure their council tax base for the forthcoming financial year is approved by Council, or a delegated body, by 31st January each year.

This year's tax base calculations show that with a total of 65,234 properties on the Council Tax register as at 3rd October 2016, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalents is 67,433.40 for 2017/18.

The proposed tax base for 2017/18 reflects an increase of 2.17% on the equivalent figure for the 2016/17 financial year.

The Council is also proposing to allocate £60,000 to parishes to offset some of the reduction in the council tax base for them arising from the council tax reduction system which replaced council tax benefit in April 2013.

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

- (i) The Borough had 66,976.4 properties at 3 October 2016 net of the loss due to any Council Tax Reduction and any other changes to empty property charges

(ii) The increase arising from the estimated new properties in 2017/18 and other changes is estimated at 1138.2 band D equivalent properties.

(iii) The total of (i) to (ii) above is 68114.6 properties. The bad debt provision for 2017/18 is 1% of this amount, i.e. 681.2 properties.

The net total of (i) to (iii) above is 67,433.4 properties as set out in the analysis of issues.

Empty Property Discounts

Under powers previously granted by Central Government the Council can alter the % discount and timeframe of certain empty property discounts.

Our current discounts are:

- i) 100% for up to 28 days where a property is empty and unfurnished
- ii) 50% for up to one year where a property is empty and undergoing structural/major works.

The proposed discounts are:

- i) 0% where the property is empty and unfurnished (full charge payable)
- ii) 0% where the property is empty and undergoing structural/major works (full charge payable).

This will bring us in line with other Berkshire authorities as tabled in the report.

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 1st December 2016 and 31st January 2017.

The exemption previously allowed for properties empty and unfurnished and empty and undergoing structural/major works was removed and provision was made for local authorities to set discounts between 0% and 100% for certain classes of empty property. Our current discounts are 100% for up to 28 days where a property is empty and unfurnished and 50% for up to one year where a property is empty and undergoing structural/major works.

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 2017/18 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 £60k CTR grant</i>	<i>2017/18 Tax Base</i>	<i>2016/17 Tax Base</i>	<i>% Change</i>
<i>Arborfield & Newland</i>	1,512.67	1,263.4	1,260.0	0.27%
<i>Barkham</i>	202.67	1,526.9	1,440.6	5.99%
<i>Charvil</i>	517.16	1,409.3	1,399.6	0.69%
<i>Earley</i>	8,404.68	11,755.9	11,704.0	0.44%
<i>Finchampstead</i>	1,224.55	5,725.0	5,665.3	1.05%
<i>Remenham</i>	0	321.9	317.5	1.39%

<i>Ruscombe</i>	310.97	501.5	497.9	0.72%
<i>St. Nicholas Hurst</i>	167.80	1,053.1	1,044.2	0.85%
<i>Shinfield</i>	5,110.69	5144.0	4,780.7	7.60%
<i>Sonning</i>	485.69	808.3	806.9	0.17%
<i>Swallowfield</i>	181.98	1,006.0	995.1	1.10%
<i>Twyford</i>	779.45	2,994.5	2,961.5	1.11%
<i>Wargrave</i>	1,484.41	2,098.3	2,085.0	0.64%
<i>Winnersh</i>	1,845.08	3,897.1	3,801.3	2.52%
<i>Wokingham Town</i>	10,243.44	14,685.2	14,294.6	2.73%
<i>Wokingham Without</i>	1,596.66	3,109.9	3,107.1	0.09%
<i>Woodley</i>	25,932.10	10,133.1	9,840.1	2.98%
Whole Area	£60,000.00	67,433.4	66,001.4	2.17%

The grant allocations are distributed using the same formula as in the previous two years, and are based upon council tax base levels.

Benchmarking has been undertaken with some of our neighbouring authorities and our recommendations are in line with those discounts that they currently have or are proposing.

Local Authority	Current for Major/Structural	Proposed for Major/Structural	Current for Empty & Unfurnished	Proposed for Empty & Unfurnished
Wokingham	50% up to 12 months	0%	100% up to 28 days	0%
West Berks	0%	0%	0%	0%
RBWM	100% up to one months	Proposed 0%	100% up to one months	Proposed 0%
Bracknell	0%	0%	0%	0%
Reading	50% up to 12 months	Considering changes	100% up to one month	0%

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	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)	(£400,000)	Yes	Revenue
Following Financial Year (Year 3)	(£400,000)	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

The revised tax base and total grant allocation will be factored in to the 2017/18 budget setting process.

Cross-Council Implications

Council tax income contributes to the funding of all services. The changes to empty property discounts could affect all council tax payers. They will also affect Council property that remains empty and officers will work with colleagues to help minimise the impact of any potential additional council tax charges

List of Background Papers

None

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