

<b>TITLE</b>	<b>Council Tax Base 2018/19</b>
<b>FOR CONSIDERATION BY</b>	Extraordinary Council on 19 January 2018
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director of Corporate Services

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

Set the Council Tax Base for 2018/19 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**

That the Council 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 £40,000 grant to the parishes in respect of council tax reduction as set out in the council tax base table.

## **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 31<sup>st</sup> January each year.

This year's tax base calculations show that with a total of 66,161 properties on the Council Tax register as at 2<sup>nd</sup> October 2017, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalents is 68,669.10 for 2018/19.

The proposed tax base for 2018/19 reflects an increase of 1.83% on the equivalent figure for the 2017/18 financial year.

The Council is also proposing to allocate £40,000 to parishes to offset some of the reduction in the council tax base for them arising from the council tax reduction scheme 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 68,345.0 properties at 2 October 2017 net of the loss due to any Council Tax Reduction

(ii) The increase arising from the estimated new properties in 2018/19 and other changes is estimated at 1017.6 band D equivalent properties.

(iii) The total of (i) to (ii) above is 69,362.6 properties. The bad debt provision for

2018/19 is 1% of this amount, i.e. 693.5 properties.

The net total of (i) to (iii) above is 68,669.10 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 2017 and 31<sup>st</sup> January 2018.

## 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 2018/19 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 £40k CTR grant</i>	<i>2018/19 Tax Base</i>	<i>2017/18 Tax Base</i>	<i>% Change</i>
<i>Arborfield &amp; Newland</i>	1,008.45	1,272.4	1,263.4	0.71%
<i>Barkham</i>	135.11	1,594.4	1,526.9	4.42%
<i>Charvil</i>	344.78	1,409.7	1,409.3	0.03%
<i>Earley</i>	5,603.11	11,842.5	11,755.9	0.74%
<i>Finchampstead</i>	816.37	5,769.5	5,725.0	0.78%
<i>Remenham</i>	0	320.0	321.9	-0.59%
<i>Ruscombe</i>	207.31	496.8	501.5	-0.94%
<i>St. Nicholas Hurst</i>	111.87	1,058.1	1,053.1	0.47%
<i>Shinfield</i>	3,407.12	5,371.7	5,144.0	4.43%
<i>Sonning</i>	323.79	815.3	808.3	0.87%
<i>Swallowfield</i>	121.32	1,041.4	1,006.0	3.52%
<i>Twyford</i>	519.64	3,004.9	2,994.5	0.35%
<i>Wargrave</i>	989.61	2,110.3	2,098.3	0.57%

<i>Winnersh</i>	1,230.05	4011.3	3,897.1	2.93%
<i>Wokingham Town</i>	6,828.96	15,052.5	14,685.2	2.50%
<i>Wokingham Without</i>	1,064.44	3,179.5	3,109.9	2.24%
<i>Woodley</i>	17,288.07	10,318.8	10,133.1	1.83%
<b>Whole Area</b>	<b>£40,000.00</b>	<b>68,669.1</b>	<b>67,433.4</b>	<b>1.83%</b>

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

#### **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)	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 2018/19 budget setting process.

#### **Cross-Council Implications**

Council tax income contributes to the funding of all services.

#### **List of Background Papers**

None

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