

TITLE	Council Tax Base 2016/17
FOR CONSIDERATION BY	Special Council Executive Committee on 28 January 2016
WARD	None specific
DIRECTOR	Graham Ebers, Director of Finance and Resources

OUTCOME / BENEFITS TO THE COMMUNITY

Set the Council Tax Base for 2016/17 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 £80,000 grant to the parishes in respect of council tax reduction as set out in the council tax base table.
- 3) approve the proposed reduction in grant to the parishes in respect of the council tax reduction of £20,000 each year over the four years 2017/18 – 2020/21.

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 31st January each year.

This year's tax base calculations show that with a total of 64,430 properties on the Council Tax register as at 5th October 2015, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalents is 68,774.8 for 2016/17.

The proposed tax base for 2016/17 reflects an increase of 1.30% on the equivalent figure for the 2015/16 financial year.

The Council is also proposing to allocate £80,000 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. This is proposed to phase out over the following four year.

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

- (i) The Borough had 65,826.7 properties at 5 October 2015 net of the loss due to any Council Tax Benefit and any other changes to empty property charges;

(ii) The increase arising from the estimated new properties in 2016/17 and other changes is estimated at 841.4 band D equivalent properties;

(iii) The total of (i) to (ii) above is 66668.1 properties. The bad debt provision for 2016/17 is 1% of this amount, i.e. 666.7 properties.

The net total of (i) to (iii) above is 66,001.4 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 1st December 2015 and 31st January 2016.

Analysis of Issues

The prescribed calculation is made as follows;

- (i) A return is made to the Department 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 2016/17 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 £80k CTR grant</i>	<i>2016/17 Tax Base</i>
<i>Arborfield & Newland</i>	2,016.90	1,260.0
<i>Barkham</i>	270.22	1,440.6
<i>Charvil</i>	689.55	1,399.6
<i>Earley</i>	11,206.23	11,704.0
<i>Finchampstead</i>	1,632.74	5,665.3
<i>Remenham</i>	0	317.5
<i>Ruscombe</i>	414.62	497.9
<i>St. Nicholas Hurst</i>	223.74	1,044.2
<i>Shinfield</i>	6,814.25	4,780.7
<i>Sonning</i>	647.58	806.9
<i>Swallowfield</i>	242.64	995.1
<i>Twyford</i>	1,039.27	2,961.5
<i>Wargrave</i>	1,979.22	2,085.0
<i>Winnersh</i>	2,460.10	3,801.3

<i>Wokingham Town</i>	13,657.92	14,294.6
<i>Wokingham Without</i>	2,128.88	3,107.1
<i>Woodley</i>	34,576.14	9,840.1
Whole Area	£80,000.00	66,001.4

The Council has managed to maintain a grant payment to the Parishes to help them meet the impact of the localisation of Council Tax benefit. Given the severe grant funding reduction and spending pressures faced by the Council over the coming years, this Parish grant payment is unsustainable. It is proposed to be phased out by 2021 to provide the Council with a significant period of time to manage the impact of a relatively small annual reduction

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 2016/17 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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Date 14 January 2016	Version No. 2