

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 20 NOVEMBER 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **COUNCIL TAX BASE FOR 2013-14**

**1.00**   **PURPOSE OF REPORT**

1.01    To approve the Council Tax Base for the financial year 2013-14.

**2.00**   **BACKGROUND**

2.01    The setting of the Council Tax Base for the next financial year allows the County Council, North Wales Police Authority and Town/Community Councils to calculate next year's Council Tax charges based on the estimated number of chargeable properties, expressed as the equivalent number of Band 'D' properties in the Council's area.

2.02    The Council Tax base is always set as at 31st October each year and must be submitted in draft to the Welsh Government by 9th November 2012. Accordingly, the draft Council Tax Base for 2013-14 has now been notified to the Government within the prescribed deadline pending approval of this report by cabinet.

**3.00**   **CONSIDERATIONS**

3.01    The calculation of the Council Tax Base for 2013-14 is the measure of the taxable capacity of all areas in the County and is calculated in accordance with prescribed rules. The Tax Base is the number of chargeable dwellings expressed as band D equivalents, taking into account the total number of exemptions, disabled banding reductions, other discounts together with an estimate to reflect new build properties plus allowances for bad debts.

3.02    From April 2013 council tax benefit will be abolished and replaced with a local council tax support scheme. From October 2013, housing benefit will also be abolished for new claimants and replaced by Universal Credit. Existing housing benefit claimants (not new claims) will migrate to Universal Credit in a phased approach from October 2013 to 2017.

3.03 From an income collection perspective the impact of these legislative changes, specifically around the abolition of council tax benefit, is considerable in that council tax recovery action will be made more difficult. This is due to the reduction in financial assistance available from the replacement council tax support scheme from April 2013, to residents currently receiving housing and or council tax benefit.

3.04 The Council is now working on assumptions that during the first year of these significant changes the assumed collection rate when setting to Tax Base will need to be 97.5% for 2013-14 and this expected to still be one of the highest assumed collection levels in Wales.

3.05 The calculation of the overall Tax Base is based on the following headline data :-

Total number of properties	65,872
Estimated number of new builds	118
Reductions for exempt property	1,651
Reductions for disabled banding relief	577
Reductions for 25% and 50% discounts	21,323

3.06 Each year, the Council is also required to determine what discount, if any, is awarded to owners of second or holiday homes (known as Prescribed Classes A and B) and long term empty properties (known as Prescribed Class C). The Prescribed Classes are as detailed below

Class A - property which is unoccupied and furnished but occupation is prohibited by law for over 28 days each year.

Class B - property which is unoccupied and furnished and occupation is not prohibited by law

Class C - property which is unoccupied and substantially unfurnished beyond the normal exempt period (usually 6 months).

3.07 The current policy is not to award discounts to any Prescribed Class and this applies to the whole of the County area. This has also been reflected in the 2013-14 Tax Base calculation.

3.08 The Council Tax Base calculations are supplied to the Welsh Government and used for the distribution of Revenue Support Grant in the annual Provisional and Final Local Authority Revenue Settlement. The calculations are also used by the Council when it sets its annual budget to calculate the Council Tax levels - this is done by dividing the net budget requirement by the Council Tax Base to provide the amount of Council Tax for a dwelling in Band D. A set formula is then used to determine the Council Tax levels for the eight remaining Property Bands (A to C and E to I).

3.09 The Council Tax Base for 2013-14 is 60,254 as shown in Appendix A to this report, this compares with 60,865 in the previous year.

#### **4.00 RECOMMENDATIONS**

4.01 That cabinet continue to set a 'nil' level of discount for properties falling within any of the Prescribed Classes (A, B or C) and for this to apply to the whole of the County area.

4.02 That the Tax Base of 60,254 chargeable Band 'D' equivalent properties (as shown in Appendix A) be approved for the financial year 2013-14.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The setting of the Council Tax Base will allow members to determine Council Tax charges for the next financial as part of the Council's 2013-14 budget considerations.

#### **6.00 ANTI POVERTY IMPACT**

6.01 None

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 None

#### **8.00 EQUALITIES IMPACT**

8.01 None

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 None

#### **10.00 CONSULTATION REQUIRED**

10.01 None

#### **11.00 CONSULTATION UNDERTAKEN**

11.01 None

#### **12.00 APPENDICES**

12.01 Appendix A to the report details the breakdown of the Tax Base for 2013-14 by Town/Community Council area.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985**  
**BACKGROUND DOCUMENTS**

Local Government Finance Act 1992 - section 68

Local Authorities (Calculation of Council Tax Base) (Wales)  
Regulations 1995

Council Tax (Prescribed Classes of Dwellings) (Wales) Amendment  
Regulations 2004

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