

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 19 NOVEMBER 2013**

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

**SUBJECT:**           **COUNCIL TAX BASE FOR 2014-15**

**1.00**   **PURPOSE OF REPORT**

1.01    To approve the Council Tax Base for the financial year 2014-15.

**2.00**   **BACKGROUND**

2.01    The setting of the Council Tax Base for the next financial year allows the County Council, Police & Crime Commissioner for North Wales 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 8<sup>th</sup> November 2013. Accordingly, the draft Council Tax Base for 2014-15 has now been notified to the Government within the prescribed deadline pending final approval of this report by Cabinet.

**3.00**   **CONSIDERATIONS**

3.01    The calculation of the Council Tax Base for 2014-15 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    Last year the Council lowered the assumed collection rate when calculating the Tax Base, largely as a result of expected assumptions that everyone entitled to financial assistance under the council tax reduction scheme (CTRS) would be required to make council tax contributions in the region of 10%. Following the setting of the Council Tax base, WG announced in January 2013 that CTRS would be at 100% for eligible claimants. The in-year collection rate in 2013/14 is being maintained at the previous performance level of 99%.

- 3.03 The Tax Base for 2014-15 has now been calculated at a higher assumed collection rate (99%) compared to 2013-14, as a result of ongoing funding arrangements whereby the Welsh Government in partnership with local authorities will continue to make up the funding shortfall from central government to finance CTRS during 2014-15. As a result many of those entitled to CTRS will not be required to pay Council Tax. The Council's cost in funding this shortfall is built into the Medium Term Financial Plan.
- 3.04 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).
- 3.05 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 Tax Base calculation.
- 3.06 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).
- 3.07 The Council Tax Base for 2014-15 is 61,501 as shown in Appendix A, this compares with 60,254 in the previous year. This will result in an increase of 1,247 band D equivalent properties, or in percentage terms, an overall increase of 2.07%. In real terms, the increase is 0.57% after the adjustment in the collection rate.

#### **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 61,501 chargeable Band 'D' equivalent properties (as shown in Appendix A) be approved for the financial year 2014-15.

**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 2014-15 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 2014-15 by Town/Community Council area.

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

None.

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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