

## CABINET

<b>Date of Meeting</b>	Tuesday, 17 <sup>th</sup> November 2015
<b>Report Subject</b>	Council Tax Base for 2016-17
<b>Cabinet Member</b>	Cabinet Member for Corporate Management
<b>Report Author</b>	Chief Officer (Community & Enterprise)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Setting the Council Tax Base for the next financial year allows the County Council, Police & Crime Commissioners Office for North Wales and Town/Community Councils to calculate next year's Council Tax precept which funds, or partly funds, local services.

The Tax Base for 2016-17 has been calculated as being 62,759 band D equivalent chargeable properties, after taking into account the total number of properties that are either exempt from council tax or where household discounts apply for disabled reductions or other status discounts.

Setting the Tax Base at 62,759 band D equivalent properties also represents growth in the Base of 1.2% compared to the previous year, equivalent to an increase of 766 band D equivalent properties. This is largely as a direct result of the effective management of the Base by reviewing single person discounts and other exemptions coupled with the impact of new homes being built across the County.

Setting of the latest Council Tax Base is integral to the revenue budget and Council Tax setting process for 2016-17.

### RECOMMENDATIONS

1	Approve the Tax Base of 62,759 band D equivalent properties (as shown in Appendix 1) for the financial year 2016-17
2	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

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE COUNCIL TAX BASE FOR 2016/17</b>
1.01	The Council fulfils the role of the 'billing authority' for the administration and collection of Council Tax and each year the Council is required to set the Council Tax Base for the following tax year.
1.02	The calculation of the Tax Base is always set as at 31 <sup>st</sup> October each year which then allows the Council, Police & Crime Commissioner for North Wales and Town/Community Councils to calculate next year's Council Tax precepts based on the estimated number of chargeable properties which are expressed as an equivalent number of Band 'D' properties.
1.03	Once approved, the Tax Base calculations are also supplied to Welsh Government and are then used for the distribution of Revenue Support Grant in the annual provision and final local authority revenue settlement.
1.04	The calculation of the Tax Base for 2016-17 is the measure of the taxable capacity for all areas in the County and is calculated in accordance with prescribed rules. The starting point for determining the Council Tax Base is the property band Valuation List supplied by the Valuation Office Agency. The total number of properties in each band is then reduced by exemptions and discounts. Discounts include, for example, reductions for single-person households, households with one or more students.
1.05	The latest Tax Base has been calculated using a projected collection level of 99.0% which ensures the Council sets the very highest collection level in Wales and demonstrates the successes in collecting Council Tax. The Tax base also reflects a very small allowance of 1% for bad debts.
1.06	To determine the final level of the Tax Base, the Council is also required to determine what discount, if any, is awarded to owners of second or holiday homes (otherwise known as Prescribed Discount Class A and B properties) or long term empty properties (Prescribed Discount Class C).
1.07	The Council Tax Base for 2016-17 is also calculated in line with the current policy of not awarding discounts to any Prescribed Class.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Setting of the Council Tax Base is part of an annual process of determining Council Tax charges for the next financial year as part of the Council's overall 2016-17 budget preparations.
2.02	The Council Tax Base is also used by the Police and Crime Commissioner and Town/Community Councils to set their Council Tax precepts for 2016-17, which will be included in the bills sent to every Council Tax payer in March 2016.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The Council has a statutory duty to set a Council Tax Base and the proposed Tax Base is an accurate forecast for the next financial year based on the number of chargeable properties after taking into account property exemptions, reductions and discount schemes.
4.02	The key risks centre around financial prudence and accuracy of forecasts used to determine the Tax Base. The Tax Base is largely based on property data and discount levels at a fixed point in time but includes a provision of 1% for non-collection, giving a forecast collection rate of 99.0%. This is consistent with previous collection levels and minimises financial risk to the Council.
4.03	Officers carefully track and monitor the Tax Base and Collection Fund performance on a monthly basis and the results feed into corporate budget monitoring and reporting processes.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 shows a breakdown of the Tax Base for 2016-17 by Town and Community area.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>Local Government Finance Act 1992 – section 68  Local Authorities (Calculation of C. Tax Base) (Wales) Regulations 1995  Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 2004</p> <p><b>Contact Office:</b> David Barnes  Revenues Manager</p> <p><b>Telephone:</b> 01352 703652</p> <p><b>E-mail:</b> <a href="mailto:david.barnes@flintshire.gov.uk">david.barnes@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Revenue Support Grant:</b> the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p><b>Tax Base:</b> is a measure of the Council’s ‘taxable capacity’ taking into account the</p>

7.02	number of chargeable properties after taking into account exemptions and discount schemes.
7.03	<b>Chargeable dwellings:</b> are all properties deemed to fall liable to Council Tax which appear in the Valuation List.
7.04	<p><b>Prescribed Discount Classes:</b> Special rules apply to certain dwellings where no-one is resident. In these cases, a Welsh billing authority may make a determination to apply a lower rate of discount or, alternatively, to apply no discount at all. These classes are</p> <p>Class A – property which is unoccupied and furnished but where occupation is prohibited by law for over 28 days each year, usually as a result of planning restrictions</p> <p>Class B – property which is unoccupied and furnished and where occupation is not prohibited by law</p> <p>Class C – property which is unoccupied and substantially unfurnished beyond the normal exemption period</p>