

COUNCIL TAX BASE SETTING 2018-2019 AND COLLECTION FUND ESTIMATED SURPLUS

Cabinet Member: Councillor David Watson

Ward(s) Affected: All

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PROPOSED DECISION That

- i. Cabinet note in accordance with the provisions of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the amount calculated by Wycombe District Council (a) as its Council Tax base for the whole of its area for the year 2018-2019 shall be 68,083.50 and (b) as the Council tax Base for each of the parts of its area for the year 2018-2019 shall be:-

Parish	2018-19
Bledlow-cum-Saunderton	1208.17
Bradenham	231.56
Chepping Wycombe	6415.93
Downley	1973.67
Ellesborough	440.98
Fawley (Parish Meeting)	144.84
Great & Little Hampden	164.28
Great & Little Kimble cum Marsh	492.92
Great Marlow	719.64
Hambleden	843.36
Hazlemere	4001.40
Hedsor (Parish Meeting)	81.56
High Wycombe Town	22669.83
Hughenden	3993.46
Ibstone	145.96
Lacey Green	1249.37
Lane End	1423.53
Little Marlow	801.03
Longwick-cum-Ilmer	682.86
Marlow Bottom	1522.44
Marlow Town	6674.86
Medmenham	517.52
Piddington & Wheeler End	265.95
Princes Risborough	3546.12
Radnage	384.72
Stokenchurch	1955.49
Turville	217.99
WestW'- Parish Council	545.86
Wooburn and Bourne End	4768.20
Total	68083.50

- ii. Cabinet approves the calculation of the Council's tax base for the year 2018/19 incorporating an estimated collection rate of 98.2%.
- iii. Cabinet approve the estimated surplus for 2017/18 on the Council Tax element of the Collection Fund of £2.404M; this is to be shared between the District Council, Buckinghamshire County Council, Buckinghamshire & Milton Keynes Fire Authority, and the Police and crime commissioner for Thames Valley in proportion to their 2017/18 precepts on the Collection Fund.

Reason for Decision

The Council tax base and the Collection Fund Estimated surplus is required to be set each year as it forms the basis for calculation of the council tax levy for all precepting bodies.

The Local Government Finance Act(as amended) requires the Council to determine the estimated surplus or deficit on the Collection Fund in respect of Council Tax by the 15th January; this will enable the precepting authorities to take account their share of any surplus before finalising their precepts for 2018/19.

Corporate Implications

1. The Council Tax base will be used as a denominator in the calculation of the Council Tax for the year. It is been set in accordance with the provisions of:
 - Local Authorities (Calculation of Council Tax Base) Regulations 1992 (SI1992 612)
 - Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 1992 (SI1992 No 1742)
 - Local Authorities (Calculation of Council Tax Base) (Amendment) (No 2) Regulations 1992 (SI1992 No 2943)
 - Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 1999 (SI1999 2935)
 - Local Authorities (Calculation of Council Tax Base) (Amendment))(England) Regulations 2003 (SI 2003 3012)
 - Local Authorities (Calculation of Council Tax Base) (Amendment) (England) (No 2) Regulations 2003 (SI2003 3181)
2. The Council has an obligation to maintain a Collection Fund separate from the General Fund. The Council's share of the 2017/18 surplus will be included in setting the Council Tax for 2018/19.

Executive Summary

1. To determine the figure used for the Council Tax base in the Council Tax setting calculation for 2018-2019.
2. The forecast of the Council Tax Collection Fund balance for the year ending 31 March 2018 is an estimated surplus of £2.404m. Wycombe Council share is £0.261m.

Sustainable Community Strategy/Council Priorities - Implications

3. This relates to the Value for Money Strategic Aim. In the past the taxbase has been set by Delegated authority by Chief Financial Officer in consultation with the appropriate Cabinet Member by Council on 15th December 2003 minute 6.

Background and Issues

Council Tax Base

4. The Local authorities Calculation of Council Tax Base) (England) Regulations 2012 prescribe rules for the calculation of the Council Tax base.
5. On an annual basis, all local authorities are required to calculate a Council Tax Base which is used to set the level of Council Tax. The process is governed by the Local Authorities' (Calculation of Tax Base) Regulations 1992.
6. The tax base is set having regard to:
 - The Valuation List;
 - Current exemptions, reductions and discounts;
 - Discretionary discounts;
 - Anticipated developments that may occur during the year;
 - Expected long term collection rate.
7. Local discounts and premiums arising from the Council Tax Support Scheme and Council Tax Reforms brought in from 1 April 2014 have been taken into account in the tax base calculation.
8. The basic methodology for calculating the tax base is as follows:
 - i. Calculations are made of the 'relevant amount' for the year in respect of the valuation bands shown in the Council's Valuation List. For each band, this amount represents the estimated full year equivalent number of chargeable dwellings listed in the band after taking into account the impact of disabled band reductions and discounts.
 - ii. The 'relevant amounts' for each band are then aggregated and expressed as an equivalent number of band D dwellings.
 - iii. The Council then multiplies this aggregate of all relevant amounts by the estimated collection rate for the year. The resulting figure is the Council Tax Base for the year
 - iv. The rules for calculating the Council Tax Base for any part of a Council's area (e.g. a parish, or that part of its area to which a levy or special levy relates) are the same as the rules for calculating the Council Tax Base for the whole of its area for that year, and the same estimated collection rate must be used.

9. The estimate of the collection rate is the only area over which the Council has any discretion. Recommendation 2 seeks Cabinet approval for an estimated collection rate of 98.2%.
10. Collection rates will be monitored and any adjustments will be reflected in the calculation of the 2018/19 surplus or deficit.
11. The tax base for 2017/18 was 67,139.17 whereas the estimated tax base for 2018/19 is 68,083.50. This represents an increase of 944.33 Band D equivalent properties.
12. Briefly the calculation takes into account the total number of 30th November 2017) in each band in the whole of the District and in each part of its area for which there is a special item as defined by Section 35 of the 1992 Local Government Finance Act. (ie: Special Expenses and Parish Precepts).
13. The number of dwellings is calculated by reference to the number of dwellings shown on the valuation list, plus any alterations to the list which were not shown on the list but of which the authority had been informed less the number of dwellings included above which were exempt.
14. An estimate is made of the number of discounts in each band which applied on the relevant day for the whole of the district and for each part of its area to which a special item relates, multiplied by the appropriate percentage as laid down in sections 11 and 11A of the 1992 Act.
15. An estimate is also made for any adjustment covering the net effect of the aggregate of dwellings not shown as listed, but which may be listed during the year, and dwellings listed on the relevant day which may be deleted during the year and discounts/exemptions which will become applicable or cease to be applicable during the year.
16. A further estimate is made of the effect of the application of the Council Tax Reduction Scheme on the tax base.
17. The result of this calculation for each band and each part of the area is then scaled to a Band D equivalent by reference to the ratios laid down in Section 5 of the 1992 Act.
18. The result of each calculation in the previous paragraph for each band in each part of the area and for the whole area is totalled to arrive at a figure for all properties likely to be on the list for the year net of exemptions, discounts and Council Tax Reductions for each part of the area and for the whole area in Band D equivalents.
19. An estimate is then made of the likely Collection Rate for the year by reference to a forecast of the amounts likely to be written off for bad debt. This collection rate is then applied to the result of the calculation in paragraph 10 above to produce the Council Tax Base for each part of its area and the whole area.

20. The Collection rate referred to in 11 above has been estimated by reference to the experience of Council Tax collection. The collection rate used for 2018-2019 will be 98.2%.

Collection Fund Estimated Surplus

21. Income from Council Tax is fixed at the start of each financial year. Any variations from this are realised through the Collection Fund and are distributed in the following two financial years (based on estimates in the following year and actuals in the subsequent years).
22. The 2017/18 estimated surplus is influenced by a several variables. The most significant factors are an expanding housing market and a reduction in the number of recipients receiving council tax discounts. Since calculating the Council Tax Base for 17/18 (in November 2016), 624 new residential properties have come on the market in Wycombe District. The growth was not anticipated at the time. Future housing expansion is expected in 2018/19; the tax base for 2018/19 allows for this expansion. In addition, the estimated value of benefits awarded through the Council Tax Support Scheme reduced by £0.302M. The forecast for Council Tax Support in 2017/18 is projected at £7.612M but expectations of the value of support were £7.914M (7.611M in 16/17 + 4% growth in Council tax charges).
23. The other factors which impacts the estimated surplus such as discounts and exemptions have also increased.
24. The estimated surplus is distributed to the major precepting authorities in proportion to the current year's demands and precepts on the Collection Fund.
25. The allocation of the total estimated surplus of £2.404m to the major precepting authorities is summarised below:

	£
Buckinghamshire County Council	1.801M
Buckinghamshire & Milton Keynes Fire Authority	0.090M
Police and crime commissioner for Thames Valley	0.252M
Wycombe District Council	0.261M

Consultation

The following individuals have been consulted:

- Revenues & Benefits Manager
- Financial Services Manager

Options

None

General Risks

Estimating the amount of Council Tax collected during the year requires a number of assumptions to be made, detail is shown below:

Factor	Assumption
Local Council Tax Support	Take-up of the Council Tax Support Scheme will not increase in the final third of 2017/18.
Discounts and Exemptions	The level of discounts & exemptions will not increase in the final third of 2017/18.
Collection Rate	The collection rate for 2017/18 will not deteriorate in the final third of 2017/18.
Housing Growth	No significant growth in the final third of 2017/18

Financial implications

The Council Tax base will be used as a denominator in the calculation of the Council Tax for the year.

Conclusions

The tax base and estimated surplus as detailed in this report needs to be approved.

Next Steps

Tax base and Estimated surplus shared with Precepting Authorities

Background Papers

Held in Financial Services