

## SLOUGH BOROUGH COUNCIL

**REPORT TO:** Cabinet **DATE:** 16<sup>th</sup> December 2013

**CONTACT OFFICERS:** Joseph Holmes, Assistant Director, Finance & Audit  
(01753) 875358

**WARDS:** All

**PORTFOLIO** Finance & Strategy – Cllr Anderson

### PART I KEY-DECISION

#### COUNCIL TAXBASES FOR 2014/15

##### **1. PURPOSE OF THE REPORT**

- 1.1 This report presents information to Members on the properties in Slough and their categories of occupation for the purpose of determining the council taxbase for the borough for the 2014/15 financial year
- 1.2 The Council is required by law to set the council taxbase by 31st January prior to the start of the financial year.
- 1.3 The level of council Taxbase will be used in the calculation of Slough Borough Council's council tax for 2014/15.
- 1.4 This report requests estimates for Business Rates income used for setting the 2014/15 budget to be delegated to the s151 officer.
- 1.5 This report provides Members with an update on the Council Tax Support Scheme.

##### **2. RECOMMENDATIONS**

The Cabinet is requested to resolve:

- (a) That the level of council tax discount in respect of second homes remains at 0%.
- (b) That the level of discount in respect of long-term empty properties remains at 0%. With the charge of a 50% Empty Home Premium for on properties that have been empty longer than 2 years.
- (c) That the collection rate for the council tax for 2014/15 be set at 98%.

(d) In accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012 the amount calculated by Slough Borough Council as its council taxbase for 2014/15 shall be:

i) Parish of Britwell	1,440.5
ii) Parish of Colnbrook with Poyle	1,791.0
iii) Parish of Wexham	1,269.8
iv) Slough Town	33,637.7
<b>All areas</b>	<b>38,139.0</b>

(e) That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet due to any changes in Government guidance around this subject.

(f) That the S151 officer be delegated with responsibility to set the Business Rates baseline following consultation with the Commissioner responsible.

(g) That the current Council Tax Support Scheme remains unchanged for 2014/15 apart from the uprating for all customers as detailed in section 4.6. This includes the approval for the Chief Executive and S151 Officer to make any textual amendments.

### **3. KEY POLICY PRIORITIES**

3.1 The matters covered in this report do not directly impact upon the Council's Key Policy Priorities.

### **4. OTHER IMPLICATIONS**

#### Legal and Human Rights Act Implications

4.1 There are no Human Rights implications arising from this report.

4.2 The calculation of the council taxbase, and the Council's estimate of its collection rate, is primarily governed by Section 33(1) of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012.

4.3 The Government brought in legislation (Local Government Finance Act 2012) to allow local authorities discretion over the level of exemptions and discounts allowed on empty properties.

4.4 Following the 2003 Local Government Bill the decision to set the council's taxbase no longer has to be taken by the full Council as in previous years. From 18 December 2003, Cabinet has been able to agree the Council's taxbase under the new bill. However, in order to enable members to make an informed decision, the 2012 Regulations requires that members are informed of the process involved in calculating the proposed council taxbase.

4.5 The detail is set out in Recommendations 2 (a) and (b) above and is as agreed by Cabinet 10<sup>th</sup> December 2012 in the Council Tax Support Scheme.

- 4.6 Following a review there will be no change to the Council Tax Support Scheme for the year 2014/15 apart from the uprating for pensions as required by law and the uprating for non pensioners as agreed, so they are not unduly penalised.
- 4.7 When the Council Tax Support scheme was agreed on 10<sup>th</sup> December 2012 Members agreed that any textual amendments could be carried out by the Chief Executive and / or the S151 Officer.
- 4.8 Officers are awaiting confirmation of the 2014/15 Council Tax Support funding to determine the options available regarding the passing on of the funding to Parishes.

### **Financial Implications**

- 4.9 The calculation of the taxbase is part of the tax setting process leading to a council tax being set for 2014/15 at the full Council meeting on 18th February 2014. At that meeting the Council will be recommended to make a calculation of its basic amount of council tax as follows:

$$(R - P)/T$$

Where: **R** is the Council's 2014/15 Budget Requirement;  
**P** is the estimate of the amounts payable to the Council in 2014/15; in redistributed non-domestic rates, and revenue support grant; adjusted for deficit or surplus on the collection fund; and  
**T** is the Council's 2014/15 council taxbase.

- 4.10 The council taxbases recommended in this report will be used in calculating the council tax applicable to each of the statutory property tax bands for the financial year 2014/15.

## **5. SUPPORTING INFORMATION**

### **Council Tax Base**

- 5.1 The various taxbases for 2014/15 proposed in this report have been calculated by reference to data available relating to dwellings within the borough provided by the District Valuer at 30th November 2013. The recent Community Governance Review has resulted in proposed boundary changes for Britwell Parish. These were approved by Council on 26<sup>th</sup> November 2013 and the proposals have been put forward to the Boundary Commission for their approval Jan / Feb 2014.
- 5.2 The proposal regarding boundary changes for Britwell Parish suggest reducing the properties within the Parish from 2,357 to 1,035.
- 5.3 Over the last 4 years the Council's tax base has steadily increased by approximately 1% each year due to new properties being added to the valuation list. An allowance for growth of 1% has been included in the 2014/15 tax base calculations as a result of a number of developments currently underway.
- 5.4 The calculation of the council's taxbase or 'T' can be expressed as the sum of 'Relevant Amounts' known as 'A' for each valuation band multiplied by the collection rate known as 'B'. In summary, 'Relevant Amounts' are to be calculated as the number of dwellings on the valuation lists supplied by the District

Valuer adjusted for discounts, disabled persons reductions and anticipated changes to the valuation lists (e.g. successful valuation appeals) during 2014/15.

5.5 The Relevant Amounts for each property band in the Slough Area for 2014/15 are summarised as follows:

Bands	Relevant Amounts for each Area				Total
	Slough Town	Parish of Britwell	Parish of Colnbrook with Poyle	Parish of Wexham	
A *	(1.8)	(0.1)	0.0	(0.1)	(2.0)
A	479.1	0.6	11.6	8.5	499.8
B	4,178.3	186.7	157.8	101.4	4,624.2
C	12,886.1	1,029.1	849.8	284.6	15,049.6
D	9,084.4	103.9	561.7	800.6	10,550.6
E	4,460.0	17.6	160.8	55.2	4,693.6
F	2,049.0	79.8	34.6	7.9	2,171.3
G	495.6	22.9	14.7	11.7	544.9
H	7.0	0.0	0.0	0.0	7.0
<b>Aggregate of Relevant Amounts</b>	<b>33,637.7</b>	<b>1,440.5</b>	<b>1,791.0</b>	<b>1,269.8</b>	<b>38,139.0</b>

\* Disabled person's reductions

5.6 The aggregate of 'Relevant Amounts' expressed as a Band D equivalent is, therefore, calculated as **38,139.0**. This figure is based on 100% collection rate in 2014/15.

5.7 In 2013/14 the Cabinet agreed to a collection rate of 98% and this rate is being maintained at month 7 of the financial year. In light of this and the on-going economic climate officers recommend the collection rate remains at 98% for 2014/15.

5.9 With a 98% collection rate, the statutory calculation of the 2014/15 council taxbase 'T' will be as follows:

Aggregate of Relevant Amounts or 'A' (i.e. **38,139.0**) x Collection Rate or 'B' (i.e. **98%**) = council taxbase 'T' (i.e. **37,376.2**).

#### **Change in Taxbase 2013/14 to 2014/15**

5.10 The table below sets out the change in the Council's taxbase between 2013/14 and 2014/15::

	2013/14	2014/15	Change from 2013/14	
	No's	No's	No's	%
Slough Borough Aggregate of Relevant Amount	36,778.0	38,139.0	1,361.0	3.7%
Taxbase after allowing for assumed collection rate	36,042.4	37,376.2	1,333.8	3.7%

5.11 Members will note that the taxbase for all areas has increased by 3.7% from 2013/14, equivalent to a net increase of 1,361 properties.

### **Business Rates 2014/15**

5.11.1 In accordance with the Local Government Finance Act 2012 the Council is required, by 31 January, to have estimated and informed the Royal Berkshire Fire & Rescue Service and DCLG of the estimated collectable business rates to be used for setting the budget and ultimately the council tax for 2014/15. This is completed by returning a form to DCLG known as NNDR1. The Council has yet to receive the finalised NNDR1 return and so is unlikely to be able to inform members of the estimated business rates in a reasonable timescale.

5.11.2 It is therefore proposed that the decision to review and certify the NNDR1 return, and finalise the figure for the estimate retained business rates used for the 2014-15 revenue budget be delegated to the s151 officer following consultation with the commissioner responsible for finance.

## **6. CONCLUSION**

6.1 It is recommended that:

6.2 The Cabinet approve the amount calculated as Slough Borough Council's taxbase for the parishes and non parish areas for 2014/15 as follows:

i) Parish of Britwell	1,440.5
v) Parish of Colnbrook with Poyle	1,791.0
vi) Parish of Wexham	1,269.8
vii) Slough Town	33,637.7
<b>All areas</b>	<b>38,139.0</b>

6.2 The S151 officer be delegated with responsibility to adjust the taxbase following Cabinet due to any changes in Government guidance around this subject.

6.3 The S151 officer be delegated with responsibility to approve the Business Rates income for 2014/15 via the NNDR1 form following consultation with the Commissioner responsible.

6.4 That the current Council Tax Support Scheme be approved for 2014/15 with the uprating for all customers as detailed in section 4.5. This includes the approval for the Chief Executive and S151 Officer to make any textual amendments.

## **7     BACKGROUND PAPERS**

- '1'    - CTB1 Form (October 2013)
- '2'    - Local Government Finance Act 2012
- '3'    - the Local Authorities (Calculation of Council Tax Base) Regulations 2012
- '4'    - Detailed working papers held in Finance and Council Tax Sections