

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 17th December 2018

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PORTFOLIO: Cllr Nazir, Lead Member for Corporate Finance and Housing

PART I **KEY-DECISION**

COUNCIL TAXBASES FOR 2019/20

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 2019/20 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 2019/20.
- 1.4 This report requests estimates for Business Rates income used for setting the 2019/20 budget to be delegated to the s151 officer.

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%, and Slough Borough Council continues with the charge of a 100% Empty Home Premium for properties that have been empty longer than 2 years.
- (c) That the collection rate for council tax for 2019/20 be set at 98.4%. This is the same rate as for 2018/19.

(d) In accordance with the Local Government Finance Act 2012 and the Local Authorities' (Calculation of Council Tax Base) Regulations 2012 the amount calculated by Slough Borough Council as its council tax base for 2019/20 shall be:

i) Parish of Britwell	869.2
ii) Parish of Colnbrook with Poyle	1,923.3
iii) Parish of Wexham	1,381.3
iv) Slough Town	38,616.0
v) All areas	42,789.8

(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 and the Collection Fund figures for distribution.

(f) That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet should any new property information become available and the Collection Fund figures for distribution require amendment.

(g) That the S151 officer be delegated with responsibility to set the Business Rates baseline following consultation with the Lead member for Corporate Finance & Housing.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan

This report indirectly supports all of the strategic priorities and cross cutting themes. The maintenance of excellent governance within the Council helps to ensure that it is efficient, effective and economic in everything it does. It helps to achieve the corporate objectives by detailing how the Council is delivering services to its residents within the financial parameters of the approved budget.

3a. Five Year Plan

This report directly supports both outcomes 2 (in respect of an increase in housing tax base) and 7 (in respect of an increase in Council Tax Collection levels both in year and overall)

The report also underpins the Council's Medium Term Financial Strategy as it is showing a significant increase in the Council Tax base which is driving up the income from Council Tax overall.

4 Other Implications

(a) Financial

There is a significant financial implication to the Council due to this report. The number of properties within the Borough, determined as equivalent to Band D, are a key number for the Revenue Budget for 2019/20 and the Medium Term Financial Strategy (MTFS) papers. The larger the number, the more Council Tax income the Council will receive (and the larger the likely collection fund position). This is the same for the number of Business Rates hereditaments.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal		
Property		
Human Rights		
Health and Safety		
Employment Issues		
Equalities Issues		
Community Support		
Communications		
Community Safety		
Financial – taxbase does not grow as expected	Medium Term Financial Volatility Reserve can accommodate some drop in CTX or BRates for one year to allow for longer term planning to deal with the issue	If CTX or BRates are higher than forecast there will be a collection fund surplus and so benefit the 2019/20 financial position.
Timetable for delivery		
Project Capacity		
Other		

(c) Human Rights Act and Other Legal Implications

(d) Equalities Impact Assessment

There is no identified need for an EIA as this report is solely based on counting the number of taxbase properties in the borough.

5. Supporting Information

Council Tax Base

- 5.1 The various taxbases for 2019/20 proposed in this report have been calculated by reference to data available relating to dwellings within the borough provided by the Valuation Office Agency at 30th November 2018.
- 5.2 Over the last few years the Council's tax base has steadily increased from approximately 1% each year, to 2.6% in the current year projection. An allowance for growth of 1.75% has been included in the 2019/20 tax base calculations, on top of the current Council Tax dwelling figures, as a result of a number of developments currently underway.
- 5.3 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 2019/20.
- 5.4 The Relevant Amounts for each property band in the Slough Area for 2019/20 are summarised as follows:

	Bands	Britwell	Colnbrook with Poyle	Wexham Court	Balance of Slough	Total Slough
5/9	A*	0.0	0.0	0.0	0.6	0.6
6/9	A	0.6	16.0	12.0	809.5	838.1
7/9	B	76.0	182.9	115.2	5,252.0	5,626.1
8/9	C	670.9	946.6	301.3	15,341.5	17,260.3
9/9	D	115.1	584.8	888.8	10,021.9	11,610.6
11/9	E	6.4	168.8	60.7	5,000.5	5,236.4
13/9	F	12.6	37.9	13.4	2,301.4	2,365.3
15/9	G	1.7	17.6	12.4	507.3	539.0
18/9	H	0.0	0.0	0.0	9.2	9.2
	Aggregate of Relevant Amounts	883.3	1,954.6	1,403.8	39,243.9	43,485.6

* Disabled person's reductions

- 5.5 The aggregate of 'Relevant Amounts' expressed as a Band D equivalent is calculated as **43,485.6**. This figure is based on a 100% collection rate in 2019/20.
- 5.6 For 2019/20, Cabinet is requested to approve the current collection rate of 98.4%.
- 5.7 With a 98.4% collection rate, the statutory calculation of the 2019/20 council tax base 'T' will be as follows:

Aggregate of Relevant Amounts or 'A' (i.e. **43,485.6**) x Collection Rate or 'B' (i.e. **98.4%**) = council tax base 'T' (i.e. **42,789.8**).

Change in Taxbase 2018/19 to 2019/20

- 5.8 The table below sets out the change in the Council's taxbase between 2018/19 and 2019/20:

	2018/19	2019/20	Change from 2018/19	
	No's	No's	No's	%
Slough Borough Aggregate of Relevant Amount	42,401.9	43,485.6	1,083.7	2.6%
Taxbase after allowing for assumed collection rate	41,723.4	42,789.8	1,066.4	2.6%

- 5.8 Members will note that the taxbase for all areas has increased by 2.6% from 2018/19, equivalent to a net increase of 1,066.4 properties.

- 5.9 Local Authorities used to be able to charge an additional 50% of the Council Tax charge for long term empty properties. From 2018/19 onwards this premium was increased to an additional premium of 100% and it was agreed to increase the charge at the 2019/20 budget setting meeting. It is proposed to continue with this additional premium which would equate to additional income of around £20k for 2019/20.

Business Rates 2019/20

- 5.10 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 the Ministry of Housing, Communities and Local Government (MHCLG) of the estimated collectable business rates to be used for setting the budget and ultimately the council tax for 2019/20. This is completed by returning a form to MHCLG known as NNDR1. The Council has yet to receive the finalised NNDR1 return from MHCLG and so is unable to inform members of the estimated business rates at the current time.
- 5.11 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 2019/20 revenue budget be delegated to the s151 officer following consultation with the Lead Member for Corporate Finance & Housing.

Collection Fund position

- 5.12 At present the Council is forecasting a breakeven position on the Collection Fund.

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 2019/20, as follows:

i) Parish of Britwell	869.2
ii) Parish of Colnbrook with Poyle	1,923.3
iii) Parish of Wexham	1,381.3
iv) Slough Town	38,616.0
v) All areas	42,789.8

- 6.3 The S151 officer be delegated with responsibility to adjust the taxbase following Cabinet due to any changes in Government guidance around this subject.
- 6.4 That the S151 officer be delegated with responsibility to adjust the taxbase following Cabinet should any new property information become available and the Collection Fund figures for distribution.
- 6.5 The S151 officer be delegated with responsibility to approve the Business Rates income for 2019/20 via the NNDR1 form following consultation with the Lead Member for Corporate Finance & Housing.

7 Background Papers

- '1' - CTB1 Form (October 2018)

- '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