

Report For:	Cabinet
Date of Meeting:	Cabinet 17 December 2018
Part:	Part 1 - Open

<b>SUMMARY</b>	
<b>Title of Report:</b>	<b>COUNCIL TAX BASE SETTING 2019/20 AND COLLECTION FUND ESTIMATES SURPLUS</b>
Cabinet Member:	Councillor David Watson
Officer Contact: Direct Dial: Email:	David Skinner 01494 421322 David.skinner@wycombe.gov.uk
Wards affected:	All
Reason for the Decision:	To agree the estimated Collection Fund Surplus as at 31/03/2019 and to determine the Council Tax Base for 2019/20.

**Proposed Decision:**

Cabinet considers the information provided in this report and approves that:

- (i) In accordance with the provisions of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the amount calculated by Wycombe District Council (i) as its Council Tax base for the whole of its area for the year 2019/20 shall be 69,104.75 and (ii) as the Council Tax Base for each of the parts of its area for the year 2019/20 shall be:-

Parish	2019/20
Bledlow-cum-Saunderton	1,212.82
Bradenham	233.56
Chepping Wycombe	6,420.82
Downley	1,984.11
Ellesborough	438.95
Fawley (Parish Meeting)	144.42
Great & Little Hampden	165.16
Great & Little Kimble cum Marsh	494.18
Great Marlow	726.67
Hambleden	845.16
Hazlemere	4,015.27
Hedsor (Parish Meeting)	81.73
High Wycombe Town	23,208.46
Hughenden	3,984.07
Ibstone	146.21
Lacey Green	1,247.21
Lane End	1,431.42
Little Marlow	805.07
Longwick-cum-Ilmer	699.61
Marlow Bottom	1,523.22
Marlow Town	6,787.04
Medmenham	523.38
Piddington & Wheeler End	265.88
Princes Risborough	3,713.37
Radnage	385.10
Stokenchurch	1,945.00
Turville	217.92
WestW'- Parish Council	548.08
Wooburn and Bourne End	4,910.86
<b>Total</b>	<b>69,104.75</b>

- (ii) The provision for uncollectable amounts of Council Tax for 2019/20 be agreed at 1.7% producing an expected collection rate of 98.3%.

	(iii) The Cabinet approves the estimated surplus for 2018/19 on the Council Tax element of the Collection Fund of £1.312m; this is to be shared between the District Council, Buckinghamshire County Council, Buckinghamshire & Milton Keynes Fire Authority, and Thames Valley Police in proportion to their 2018/19 precepts on the Collection Fund.										
Sustainable Community Strategy/Council Priorities - Implications	<p><b>Financial:</b> Providing details of the Collection Fund surplus or deficit estimated as at 31 March 2019 assists the Council and other precepting authorities in the setting of their Council Tax for 2019/20.</p> <p>The recommended Council Tax Base shows a 1,021.25 increase on the previous year which is due to additional Band D equivalent dwellings in the District.</p> <p><b>Risk:</b> Estimating the amount of Council Tax collected during the year requires a number of assumptions to be made as summarised below:</p> <table border="1"> <thead> <tr> <th>Factor</th> <th>Assumption</th> </tr> </thead> <tbody> <tr> <td>Local Council Tax Support</td> <td>Take-up of the Council Tax Support Scheme will not increase in the final third of 2018/19.</td> </tr> <tr> <td>Discounts and Exemptions</td> <td>The level of discounts &amp; exemptions will not increase in the final third of 2018/19.</td> </tr> <tr> <td>Collection Rate</td> <td>The collection rate for 2018/19 will not deteriorate in the final third of 2018/19.</td> </tr> <tr> <td>Housing Growth</td> <td>No significant growth in the final third of 2018/19</td> </tr> </tbody> </table> <p>Equalities: Not applicable</p> <p>Health &amp; Safety: Not applicable</p>	Factor	Assumption	Local Council Tax Support	Take-up of the Council Tax Support Scheme will not increase in the final third of 2018/19.	Discounts and Exemptions	The level of discounts & exemptions will not increase in the final third of 2018/19.	Collection Rate	The collection rate for 2018/19 will not deteriorate in the final third of 2018/19.	Housing Growth	No significant growth in the final third of 2018/19
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Monitoring Officer/ S.151 Officer Comments	<p><b>Monitoring Officer:</b> Legal obligations and reasons for the decisions are set out within the report.</p> <p><b>S.151 Officer:</b> This is a S151 Officer report with all the financial implications included within the report.</p>										
Consultees:	Not applicable										
Options:	None										
Next Steps:	The Council Tax Base and Estimated Surplus shared with precepting Authorities by end of January 2019.										
Background Papers:	<a href="http://www.legislation.gov.uk/ukxi/2012/2914/contents/made">www.legislation.gov.uk/ukxi/2012/2914/contents/made</a>										
Abbreviations:	None										

## **1. Executive Summary**

- 1.1. To determine the figure used for the Council Tax base in the Council Tax setting calculation for 2019/20.
- 1.2. The forecast of the Council Tax Collection Fund balance for the year ending 31 March 2019 is an estimated surplus of £1.312m. Wycombe District Council's share is £0.139m.

## **2. Council Tax Base**

- 2.1. 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 calculation method and the process is set out in the Local Authorities' (Calculation of Tax Base) Regulations 2012.
- 2.2. 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.
- 2.3. The estimate of the collection rate is the only area over which the Council has any discretion. Recommendation (ii) seeks Cabinet approval for an estimated collection rate of 98.3% which has been estimated by reference to past experience of Council Tax collection.
- 2.4. Collection rates will be monitored, and any adjustments will be reflected in the calculation of the 2019/20 surplus or deficit.
- 2.5. Briefly the calculation complies with the Regulations as summarised below:
  - 2.5.1. The calculation takes into account the total number of dwellings 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 (i.e. Special Expenses and Parish Precepts).
  - 2.5.2. 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.
  - 2.5.3. 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.
  - 2.5.4. 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.
  - 2.5.5. A further estimate is made of the effect of the application of the Council Tax Reduction Scheme on the tax base.

2.5.6. 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 as summarised below.

Band	A	B	C	D	E	F	G	H
Weighting	6/9	7/9	8/9	1	11/9	13/9	15/9	2

2.5.7. The collection rate mentioned in paragraph 2.3 is then applied to the result of the calculation in paragraph 2.5.6 above to produce the Council Tax Base for each part of its area and the whole area.

2.6. The tax base for 2018/19 was 68,083.5 whereas the estimated tax base for 2019/20 is 69,104.75. This represents an increase of 1,021.25 Band D equivalent properties, or 1.5% on the tax base.

### 3. Collection Fund Estimated Surplus

#### 3.1. How does a surplus or deficit occur?

The income collected from Council Tax goes into the Collection Fund. Throughout the year the actual number of properties in the district (as well as allowances for exemptions, discounts or appeals) inevitably varies from the figure estimated at the start of the year. This leads to a change in the amount of Council Tax collected. Despite this variation in collection, the amount *paid* to the preceptors remains the same as the amounts specified at the start of the year, and does not reflect in-year changes to the amount of Council Tax. It is this emergent variance which creates a surplus or deficit on the Collection Fund

3.2. The 2018/19 estimated surplus is influenced by a several variables. The most significant factors are an expanding housing market and number of recipients receiving council tax discounts and exemptions. Since calculating the Council Tax Base for 2018/19 (in November 2017), 383 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 2019/20; the tax base for 2019/20 allows for this expansion. In addition, the estimated value of benefits awarded through the Council Tax Support Scheme increased by £0.363M.

3.3. The estimated surplus is distributed to the major precepting authorities in proportion to the current year's demands and precepts on the Collection Fund.

3.4. The allocation of the total estimated surplus of £1.312m to the major precepting authorities is summarised below:

	£
Buckinghamshire County Council	0.986M
Buckinghamshire & Milton Keynes Fire Authority	0.048M
Thames Valley Police	0.139M
Wycombe District Council	0.139M