

**TELFORD & WREKIN COUNCIL**

**COUNCIL MEETING – 23 JANUARY 2014**

**SETTING OF THE COUNCIL TAX BASE FOR 2014/15**

**REPORT OF THE ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION  
GOVERNANCE (CHIEF FINANCE OFFICER)**

**LEAD CABINET MEMBER: CLLR BILL McCLEMENTS**

**PART A – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

To determine the Council Tax Base for General and Special Fund purposes for the financial year 2014/15.

**2. RECOMMENDATIONS**

That the calculation of the tax base for 2014/15 as at paragraph 5.6 and Appendix 1 be approved.

In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914), the amount calculated for Telford and Wrekin Council Tax base for 2014/15 for its Special Fund Area shall be as per the appropriate parish amounts detailed in Appendix 1 for the parishes listed in paragraph 5.7.

**3. SUMMARY IMPACT ASSESSMENT**

**COMMUNITY IMPACT** Do these proposals contribute to specific priority plan objectives?

Yes/No All priorities. Setting the council tax base is a legal requirement and is needed to calculate council tax levels for 2014/15 and therefore directly supports the delivery of all Council priorities.

Will the proposals impact on specific groups of people?

Yes/No Council tax payers

**TARGET  
COMPLETION /  
DELIVERY DATE**

The setting of the Council Tax Base is the first stage in the process of setting the Council Tax for 2014/15. Final recommendations on council tax levels will be presented to Full Council on 27<sup>th</sup> February 2014.

<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes/No	Used in determining the Council Tax to be charged in 2014/15.
<b>LEGAL ISSUES</b>	Yes/No	The legal requirements relating to the setting of the Council tax base are set out in the main body of this report. The Council has a statutory obligation to set the Council Tax Base by 31 January 2014 to enable the level of Council Tax to be then set within the statutory timescales (paragraph 4.3 of this report). As part of this calculation the Council must also estimate the aggregate sums of the amounts which are likely to be paid during the relevant financial year as described in this report. In summary the Council has the power and the duty to set the Council Tax Base in the way described in this report.
<b>OTHER IMPACTS, RISKS AND OPPORTUNITIES</b>	Yes/No	The opportunities and risks associated with the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified..
<b>IMPACT ON SPECIFIC WARDS</b>	Yes/No	

## **PART B – ADDITIONAL INFORMATION**

### Council Tax Base

- 4.1 This is the second year for the Tax Base to be set including Council Tax Support . The amendments to Exemptions agreed as part of last year’s report will remain in place.
- 4.2 In order to determine the appropriate Council Tax levels for the area, it is necessary for the Council to determine the tax base for its area or part of its area. The budget requirements of the various precepting authorities are divided by this figure to arrive at the Band D equivalent level of Council Tax.
- 4.3 The tax base for 2014/15 must be set by Full Council between 1 December 2013 and 31 January 2014 as prescribed by section 8 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914). The figures used for tax base allow for the continuation of the resolutions in respect of reduced discounts for empty properties and second homes agreed previously.

## **5. COUNCIL TAX BASE INFORMATION**

- 5.1 As members will be aware, the Council Tax is a banded capital value based property tax.

5.2 The main features of the tax are:-

- Each domestic property is allocated to one of 8 bands depending on its capital value which has been set by the Valuation Office Agency.
- Section 5 of the Local Government Finance Act 1992 sets out the range of property values within each band. Associated Regulations determine the relationship between the tax rates for each band.
- A 25% discount from the full charge is available for single adult households. Certain categories of resident are disregarded in deciding the number of adult residents. These include students, student nurses, youth training trainees, the severely mentally impaired etc. Qualifying criteria must be met before discounts or disregards are allowed.
- A reduction equivalent to one council tax band is available where a resident of a dwelling is disabled and certain facilities are required for meeting the needs of that disabled person. For Band A properties the reduction is equivalent to 1/9th of the Band D Charge so the charge for such a Band A dwelling is 5/9ths rather than the usual 6/9ths for a Band A property.
- Council Tax Support is applied to the council tax base as a discount that varies depending on personal circumstances and this reduces the Council Tax Base.
- The grant system is intended to take account of differences in the needs and taxable capacity of each area.

5.3 The Council Tax Bands range from A to H and the details are as follows:-

<b>Band</b>	<b>House Value</b> (as at April 1991 prices)	<b>Band D</b> <b>Proportion</b>	<b>Telford &amp;</b> <b>Wrekin</b> <b>Properties</b> <b>Spread</b>	<b>%</b> <b>Increase/</b> <b>Decrease</b> <b>for 14/15</b>
	£	%	%	%
A	Under 40,000	66.7	37.02	-0.15
B	40,001 – 52,000	77.8	26.38	-0.01
C	52,001 – 68,000	88.9	14.97	+0.16
D	68,001 – 88,000	100.0	10.96	+0.02
E	88,001 – 120,000	122.2	6.30	-0.02
F	120,001 – 160,000	144.4	2.88	0.00
G	160,001 – 320,000	166.7	1.42	0.00
H	Over 320,000	200.0	0.07	0.00

#### 5.4 Property Base

There are 70,516 properties in the valuation list for the Telford & Wrekin area. This compares with a figure of 69,916 in the list at the same time last year. There has been an increase of 600 properties, which equates to an increase of 0.86%. Overall there has been a decrease in the proportion of Band A, B and E properties and an increase in Band C and D properties, with the largest increase in Band C.

#### 5.5 Council Tax Base

To arrive at the Council Tax Base, it is necessary to undertake the following calculation in respect of each tax band:

Total number of chargeable dwellings  
(Less) Dwellings subject to discounts  
=  
Total equivalent number of properties  
x  
Ratio to Band D  
=  
Relevant Amount (Band D Equivalent)

The relevant amounts for each tax band are then aggregated to arrive at the total for the area.

Finally, an estimated Collection Rate needs to be applied to the resultant figure. This has to be common to the whole area and has to provide for amendments to the Council Tax Banding List, appeals against banding, additional discounts and losses on collection. Due to the changes as a result of Council Tax Support it is suggested that we continue to use a figure of 98%. Clearly every effort is taken to vigorously pursue all council tax due to the authority.

#### 5.6 General Fund Tax Base

This is the estimated council tax base for the whole of the area and will be used by Telford & Wrekin to calculate its General Fund Council Tax levy and also by The Office of the Police and Crime Commissioner for West Mercia and the Shropshire and Wrekin Fire & Rescue Authority to calculate the levy in respect of their precepts.

The tax base for this purpose for 2014/15 is 45,206.4 (including 202.2 for contributions in lieu). Using an estimated collection rate of 98% (adjusted for 100% collection of contributions in lieu), the tax base is calculated as **44,306.3**. The detailed build up to this figure by parish is shown in Appendix 1.

## 5.7 Special Fund Tax Base

This is the estimated council tax base for the Special Fund area, i.e. those areas where Telford & Wrekin Council provides services which, in other areas, are provided by Town & Parish Councils. These areas are;

- Dawley Hamlets,
- Great Dawley,
- Hollinswood & Randlay,
- Lawley & Overdale,
- Madeley,
- Oakengates,
- St Georges & Priorslee,
- Stirchley & Brookside,
- The Gorge,
- Wellington and
- Wrockwardine & Trench.

The Council Tax Base for each can be found in Appendix 1.

As in previous years, for 2014/15 it will be necessary to have two levels of special fund tax. The first tax will be levied on all the parishes in the Special Fund area. The second tax will be levied on those parishes that have opted not to take over responsibility for street lighting in their area.

The Special Fund Council Tax will be set taking into account the services provided by each individual parish and taking account of the tax base for each parish.

## 6 PREVIOUS MINUTES

6.1 Council meeting 24 January 2013

## 7. BACKGROUND PAPERS

Local Government Act 2003

CLG Calculation of Council Tax Base Return (CTB1) October 2013

The Council Tax (Prescribed Classes of Dwellings)(England) Regulations 2003

Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914)

Local Government Finance Act 2012,

Report prepared by

Bernie Morris, Finance Team Leader (01952) 383702

Ken Clarke, Assistant Director: Finance, Audit & Information Governance (01952) 383100.

Parish	Band D
CHETWYND	233.4
CHETWYND ASTON & WOODCOTE	164.6
CHURCH ASTON	474.0
DAWLEY HAMLETS	2,002.8
EDGMOND	512.2
ERCALL MAGNA	540.6
EYTON	37.2
THE GORGE	1,217.5
GREAT DAWLEY	2,230.0
HADLEY & LEEGOMERY	3,594.3
HOLLINSWOOD & RANDLAY	1,271.3
KETLEY	1,050.5
KYNNERSLEY	74.0
LAWLEY & OVERDALE	2,083.8
LILLESHALL & DONNINGTON	4,012.9
LITTLE WENLOCK	226.5
MADELEY	3,659.3
NEWPORT	3,305.1
OAKENGATES	2,121.7
PRESTON	97.1
RODINGTON	328.2
ST. GEORGES & PRIORSLEE	3,562.7
STIRCHLEY & BROOKSIDE	2,109.1
TIBBERTON & CHERRINGTON	265.0
WATERS UPTON	371.0
WELLINGTON	6,028.7
WROCKWARDINE	1,380.1
WROCKWARDINE WOOD & TRENCH	1,352.7
	<b>44,306.3</b>