

WIRRAL COUNCIL

CABINET

24 JANUARY 2013

SUBJECT:	COUNCIL TAX BASE
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 The Authority is required to annually determine its Council Tax-base. This is in order to determine the appropriate levels for Wirral, the Precepting Authorities (Police and Fire and Rescue) and the Environment Agency (Flood Defence). The Council Tax-base has a direct impact on the Council Tax that will be levied for Wirral for 2013 and the level of Revenue Support grant received from Central Government. There are significant changes this year in how it is calculated.
- 1.2 The Council Tax-base 2013/14 for Wirral will be set and the figure used for calculating Council Tax charges for 2013-14.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 An analysis of the Council Tax bands within Wirral are shown below:

Band	Value £	Ratio to Band D	2012/13	Band %	Increase on 2011/12	Decrease on 2011/12
A	<£40,000	6/9	58,950	40.3	173	
B	£40,001-£52,000	7/9	31,354	21.4	147	
C	£52,001-£68,000	8/9	27,182	18.6		43
D	£68,001-£88,000	1	13,070	8.9	31	
E	£88,001-£120,000	11/9	8,086	5.5	43	
F	£120,001-£160,000	13/9	4,230	2.9		46
G	£160,001-£320,000	15/9	3,093	2.1		3
H	>£320,000	18/9	270	0.2	1	
TOTAL			146,232			

- 2.2 As at 14 September there were 146,232 properties within the Wirral area compared to 145,929 last year. This is an increase of 303 properties representing a 0.2% increase overall. Wirral has 80% of its properties in Band A to C.
- 2.3 The calculation methodology has changed considerably this year due mainly to the abolition of Council Tax Benefits and the introduction of a localised Council Tax Support Scheme which is counted as a discount rather than a payment of benefits. This then impacts on the taxbase. The calculation process is then as follows:
- Calculate the number of properties at 14 September 2012;
 - Adjust for changes due to demolitions, new builds, discounts, exemptions and disabled relief.
 - Add in any changes expected over the year and reflect the increased level of discounts due to the localised council tax support scheme.
 - Convert the number of “discounted” dwellings in each Council Tax Band to Band D equivalent;
 - Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year. The amended calculation is as below and will be utilised in calculating the Council Tax charge for 2013-14
- 2.4. The calculation is as follows with only the Council tax support scheme included and no discount and exemptions change from current levels:

Band	Band D equivalent as at 14 September	Change due from Council Tax Support Scheme only - Band D equivalent	Net Band D equivalent
A	32,572	13,686	18,886.00
B	21,482.8	3,055.1	18,427.69
C	21,776.2	1,648.9	20,127.33
D	11,907.3	537.05	11,370.25
E	9,112	231.03	8,80.97
F	5,673.4	99.65	5,573.75
G	4,795.4	36.65	4,758.75
H	459.0	0	459.00
Band A Disabled 1/9 th of Band A	55.7	0	55.70
Total	107,833.8		88,539.45
Collection Rate 97.50%		Adjusted Council Tax Taxbase figure	86,325.96

- 2.5. The calculation is as follows with the Council Tax Support Scheme included and the discount and exemptions charges maximised for 2013/14:

Band	Band D equivalent as at 14 September	Changes of discounts exemptions Council Tax Support scheme Band D equivalent	Nett Band D equivalent
A	32,572	13,1926.00	19,379.40
B	21,482.8	2,774.79	18,708.01
C	21,776.2	1,471.36	20,304.84
D	11,907.3	457.15	11,450.15
E	9,112	182.26	8,929.74
F	5,673.4	70.18	5,603.22
G	4,795.4	2.65	4,792.75
H	459.0	0	459.00
Band A Disabled 1/9 th of Band A	55.7	0	55.70
Total	107,833.8		90,042.81
Collection Rate 96.75%		Adjusted Council Tax Taxbase figure	87,116.4

- 2.6 The collection rate is based upon taking into consideration previous experience and current collection rates the outcome of which is a change in the projected collection rate from 98.5% to 96.75% if discounts and exemptions are changed or 97.5% if no change is made to discount and exemption levels.
- 2.7 This is a significant drop from the high levels achieved of 98.5% over many previous years. The reduction reflects the anticipated substantial impact on late and non-payment due to the introduction of the Localised Council Tax Support scheme, affecting over 20,000 cases replacing the previously fully funded Council Tax Benefit. It is expected that £1m equivalent to 1% will not be paid.
- 2.8 There is another significant factor and that is the proposed changes to Council Tax Exemptions and Discounts, affecting over 13,000 properties, from 1 April 2013. Although this raises substantial amounts of Council Tax it is expected that £750,000, equivalent to 0.75% will not be paid if this change is taken on and charge levels are maximised.

- 2.9 The collection rate is the rate that best reflects collection over more than just the current year and will therefore take longer than the financial year to achieve. All previous year collections have ultimately met or exceeded projections and this rate should be achieved for 2013-14 despite the significant changes previously explained.
- 2.10 The level of Council Tax is set at each Budget Council. The Budget Council for 2013/2014 is scheduled for 5 March 2013.
- 2.11 This decision may be delegated under Section 84 of the Local Government Act 2003 amended section 67 of the Local Government Finance Act 1992 which means that a full Council meeting is no longer required to adopt the Council tax base. Instead the Council can delegate the tax base determination function in accordance with section 101 of the Local Government Act 1972. This matter is being considered as part of the review of the current scheme of delegation.

3.0 RELEVANT RISKS

- 3.1 If the Council Tax base figure is not declared by 31 January 2013 the Council and Precepting Authorities will be unable to make considered budgetary decisions that could delay the Council Tax bills for 2013/14.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 None.

5.0 CONSULTATION

- 5.1 None required in calculating this figure.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 None.

7.0 RESOURCE IMPLICATIONS, FINANCIAL; IT; STAFFING AND ASSETS

- 7.1 The Council Tax Base is used to calculate Council Tax levels for 2013/14. Failure to comply with timescales could delay Council Tax bills with the potential to affect collection and cash-flow.

8.0 LEGAL IMPLICATIONS

- 8.1 The legislation requiring this calculation is the Local Authorities (Calculation of Council Tax Base) Regulations 1992. This requires the Authority to declare, by means of Council resolution, the Tax Base it will use to calculate the tax level. Council must make this resolution no later than 31 January in the year preceding the Tax.

9.0 EQUALITIES IMPLICATIONS

- 9.1 There are none arising from this report and an Equality Impact Assessment is not required.

10.0 CARBON REDUCTION IMPLICATIONS

11.1 There are none arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION

13.1 That the figure be approved as the Council Tax Base for 2013/14 taking account of which tax base members approve in light of their prior decision on discounts and exemption levels.

14.0 REASON FOR RECOMMENDATION

14.1. To allow Members to agree and be aware of the Council Tax taxbase for 2013/14 and the changes that have been taken account in its calculation.

FNCE/xxx /12

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APPENDICES None

REFERENCE MATERIAL

Department for Communities and Local Government;
CTB1 form and accompanying documentation,
Local Government Finance Act 1992 and 2003

Valuation Office Agency; Valuation List.

SUBJECT HISTORY

Council Meeting	Date
Cabinet	11 December 2011
Cabinet	9 December 2010
Cabinet	9 December 2009