

TELFORD & WREKIN COUNCIL

COUNCIL MEETING – 23 JANUARY 2020

SETTING OF THE COUNCIL TAX BASE FOR 2020/21

REPORT OF THE DIRECTOR: FINANCE & HUMAN RESOURCES (CHIEF FINANCE OFFICER)

LEAD CABINET MEMBER: CLLR LEE CARTER

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 To determine the Council Tax Base for General and Special Fund purposes for the financial year 2020/21.

2. RECOMMENDATIONS

Full Council to approve:

- (i) The calculation of the tax base for 2020/21 as at paragraph 5.7 and Appendix 1.**
- (ii) 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 2020/21 for its Special Fund Area shall be as per the appropriate parish amounts detailed in Appendix 1 for the parishes listed in paragraph 5.8.**
- (iii) The extension to the policy discounting young people leaving Council care and living within the Borough from Council Tax up until their 25th birthday, as detailed in Appendix 2.**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priority plan objectives?	
	Yes/No	Setting the council tax base is a legal requirement and is needed to calculate council tax levels for 2020/21 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 2020/21. Final recommendations on council tax levels will be presented to Full Council on 5 March 2020.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/No	Used in determining the Council Tax to be charged in 2020/21.
LEGAL ISSUES	Yes/No	<p>The legal requirements relating to the setting of the Council tax base are set out in the main body of this report.</p> <p>The Council has a statutory obligation to set the Council Tax Base by 31 January 2020 to enable the level of Council Tax to be then set in accordance with the statutory deadline of 11 March 2020.</p> <p>In summary the Council has the power and the duty to set the Council Tax Base in the way described in this report.</p> <p>The Council also has the power to make available a discretionary scheme offering discounts to specified groups of people. That being the case, the Council has the power to extend the discount scheme to care leavers up to the age of 25.</p> <p>AL 03/01/2020</p>
OTHER IMPACTS, RISKS AND OPPORTUNITIES	Yes/No	
IMPACT ON SPECIFIC WARDS	Yes/No	

PART B – ADDITIONAL INFORMATION

Council Tax Base

- 4.1 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.
- 4.2 The tax base for 2020/21 must be set by Full Council between 1st December 2019 and 31st January 2020 as prescribed by section 8 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914).

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 Reduction is applied to the council tax base as a discount that varies depending on personal circumstances and this reduces the Council Tax Base. A separate report covering the 2020/21 Council Tax Reduction Scheme is also on the 23 January Council agenda.

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

Band	House Value (as at April 1991 prices)	Band D Proportion	Telford & Wrekin Properties Spread	% Increase/ Decrease for 20/21
	£	%	%	%
A	Under 40,000	66.7	34.45	-0.48
B	40,001 – 52,000	77.8	27.16	+0.07
C	52,001 – 68,000	88.9	16.11	+0.14
D	68,001 – 88,000	100.0	11.55	+0.07
E	88,001 – 120,000	122.2	6.34	+0.12
F	120,001 – 160,000	144.4	2.92	+0.08
G	160,001 – 320,000	166.7	1.40	0.00
H	Over 320,000	200.0	0.06	0.00

5.4 Care Leavers Exemption

The Council proposes to extend the existing scheme to provide a discount to young people leaving its care and living within the Borough from Council Tax up to the young persons 25th birthday. Under this policy Care Leavers will receive up to 100% Council Tax relief.

It is estimated that there are 30 additional accounts which will benefit from a care leavers discount at a total cost of approximately £20,000.

Details of the policy are included in Appendix 2.

5.5 Property Base

There are 77,494 properties in the valuation list for the Telford & Wrekin area. This compares with a figure of 76,232 in the list at the same time last year. This is an increase of 1,262 properties, which equates to an increase of 1.66%. The assumed rate of collection will remain at 99.25% which reflects the effectiveness of the Council's tax collection arrangements. Total council tax receipts will be approximately £2.102m greater as a result of growth in the tax base which is equivalent to a council tax increase of 2.43% and will help support services provided by the council, fire service and police service. Overall there has been a decrease in the proportion of Band A properties and small increases in Band B, C, D, E and F with the largest increase in Band C.

5.6 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. Clearly every effort is taken to vigorously pursue all council tax due to the authority. As mentioned above we will use a figure of 99.25% for 2020/21.

5.7 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 2019/20 is 52,265.1 (including 163.1 for contributions in lieu in respect of MOD properties). Using an estimated collection rate of 99.25% (adjusted for 100% collection of contributions in lieu), **the tax base is calculated as 51,874.3.**

5.8 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.

A Special Fund tax will be levied on those parishes that have opted not to take over responsibility for street lighting in their area. These are:-

- Dawley Hamlets,
- Great Dawley,
- Hollinswood & Randlay,
- Lawley and Overdale,
- Madeley,
- Oakengates,
- Stirchley & Brookside,
- The Gorge and
- Wellington.

If any of the other parishes that currently have responsibility for street lighting decide to return these to Telford & Wrekin Council's responsibility then they will also have the additional charge.

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

6 PREVIOUS MINUTES

6.1 Council meeting 17 January 2019

7 BACKGROUND PAPERS

Local Government Act 2003

CLG Calculation of Council Tax Base Return (CTB1) October 2014

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

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

Local Government Finance Act 2003

Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

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COUNCIL TAX BASE BY PARISH / TOWN COUNCIL

Parish	Band D
CHETWYND	276.7
CHETWYND ASTON & WOODCOTE	238.5
CHURCH ASTON	509.7
DAWLEY HAMLETS	2,390.1
DONNINGTON & MUXTON	3,804.8
EDGMOND	551.1
ERCALL MAGNA	590.7
EYTON	40.7
GORGE, THE	1,441.2
GREAT DAWLEY	2,717.8
HADLEY & LEEGOMERY	4,331.1
HOLLINSWOOD & RANDLAY	1,415.6
KETLEY	1,358.8
KYNNERSLEY	77.2
LAWLEY & OVERDALE	3,474.4
LILLESALL	562.2
LITTLE WENLOCK	246.0
MADELEY	4,164.9
NEWPORT	3,963.4
OAKENGATES	2,471.9
PRESTON	99.8
RODINGTON	379.7
ST GEORGES & PRIORSLEE	3,928.7
STIRCHLEY & BROOKSIDE	2,286.2
TIBBERTON & CHERRINGTON	331.2
WATERS UPTON	414.0
WELLINGTON	6,798.0
WROCKWARDINE	1,489.7
WROCKWARDINE WOOD	1,520.2
	51,874.3

DISCRETIONARY COUNCIL TAX DISCOUNT POLICY



Telford & Wrekin
COUNCIL

Discretionary council tax discount

The Council has discretion to reduce or remit Council Tax for a particular case or classes of case that is not covered by statute set discounts or exemptions.

In what circumstances will a discount be awarded?

The Council should have defined criteria which will be taken into account when determining an application for discretionary discount. These guidelines seek to set criteria that the Council should take into account when considering applications for a reduction in the amount of Council Tax payable.

The council will consider the following in determining applications:-

- Whether the taxpayer has been forced to vacate or partially vacate the property due to serious damage caused by external environmental factors beyond their control
- Whether the taxpayer has suffered a significant degree of discomfort / inconvenience or upheaval as a result of the change caused by external environmental factors beyond their control.
- Whether the tax payer has experienced exceptional circumstances to be defined and considered on each individual basis
- Whether the tax payer is a care leaver who is between the ages of 18-25. A care leaver is defined as an individual whom Telford and Wrekin Council had a corporate parent responsibility for.

Where a property has been affected the following will be taken into account:

- The extent and nature of damage to the property
- The degree to which the property has been affected
- Whether the property has been vacated
- The type of property e.g. is it a main home, holiday home or second home

Where the tax payer is a care leaver, the following criteria will apply:

- The care leaver will be aged between 18-25, formerly in the care of Telford and Wrekin Council, who then becomes liable for council tax within the Telford and Wrekin borough.
- Where the care leaver is solely liable for council tax, they will be entitled to 100% discount after all statutory discounts, exemptions and before Council Tax Support have been applied.
- Where a care leaver is jointly liable for council tax, a proportionate award will be made, i.e: if there are two occupiers, a 50% award will be made.
- Where the care leaver is resident but not liable for council tax, no discount will be awarded.

- No discount will be awarded where the care leaver of another local authority is living within the Telford and Wrekin borough.
- No discount will be awarded for care leavers for Telford and Wrekin Council who move outside of the Telford and Wrekin area.
- The discount will apply up to the care leavers 25th birthday.

How will a decision be made?

Each case will be considered on its merits however, with the exception of care leavers, the following criteria should be met for each case:

- The Council Tax payer's financial circumstances will be taken into account.
- All entitlement to Council Tax Support, discounts and exemptions must be applied prior to consideration of an application.
- The Council must be satisfied that the Council Tax payer has taken all reasonable steps to resolve their situation prior to making the application.
- The Council's finances will allow for a reduction to be made.

Applications for discretionary discount must be made in writing from the tax payer, their advocate/appointee or a recognised third party acting on their behalf by completing a discretionary discount application form, and outlining the reasons why a discount should be awarded. The applicant should explain the impact of not awarding a discount.

The applicant should specify the amount of discount they wish to apply for being claimed.

Council Tax will remain payable as demanded whilst applications are being considered.

Amount of award

A maximum of 100% Council tax will be awarded.