

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 16<sup>th</sup> December 2019

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**WARDS:** All

**PORTFOLIO** Cllr Swindlehurst – Leader of the Council

### **PART I** **KEY-DECISION**

#### **COUNCIL TAXBASES FOR 2020/21**

##### **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 2020/21 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 2020/21.
- 1.4 This report requests estimates for Business Rates income used for setting the 2020/21 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%, with the charge of a 100% Empty Home Premium for on properties that have been empty longer than 2 years.
- (c) That the collection rate for council tax for 2020/21 be set at 98.4%. This is the same rate as for 2019/20.

(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 2020/21 shall be:

|                                    |                 |
|------------------------------------|-----------------|
| i) Parish of Britwell              | 868.6           |
| ii) Parish of Colnbrook with Poyle | 1,912.9         |
| iii) Parish of Wexham Court        | 1,416.5         |
| iv) Slough Town                    | 38,720.1        |
| <b>v) All areas</b>                | <b>42,918.1</b> |

(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 Governance and Customer Services.

### **3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year 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 2020/21 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

| <b>Risk</b>                                   | <b>Mitigating action</b>  | <b>Opportunities</b>   |
|---|---|--|
| 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 2020/21 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 2020/21 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 2019.
- 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 2020/21.
- 5.4 The Relevant Amounts for each property band in the Slough Area for 2020/21 are summarised as follows:

|             | <b>Bands</b>                         | <b>Britwell</b> | <b>Colnbrook with Poyle</b> | <b>Wexham Court</b> | <b>Balance of Slough</b> | <b>Total Slough</b> |
|-------------|--------------------------------------|-----------------|-----------------------------|---------------------|--------------------------|---------------------|
| <b>5/9</b>  | <b>A*</b>                            | <b>0.0</b>      | <b>0.0</b>                  | <b>0.0</b>          | <b>1.0</b>               | <b>1.0</b>          |
| <b>6/9</b>  | <b>A</b>                             | <b>1.3</b>      | <b>14.8</b>                 | <b>11.2</b>         | <b>896.4</b>             | <b>923.7</b>        |
| <b>7/9</b>  | <b>B</b>                             | <b>77.4</b>     | <b>180.2</b>                | <b>115.3</b>        | <b>5,292.6</b>           | <b>5,665.5</b>      |
| <b>8/9</b>  | <b>C</b>                             | <b>672.4</b>    | <b>939.8</b>                | <b>304.7</b>        | <b>15,335.2</b>          | <b>17,252.1</b>     |
| <b>9/9</b>  | <b>D</b>                             | <b>112.5</b>    | <b>580.2</b>                | <b>887.1</b>        | <b>9,990.5</b>           | <b>11,570.3</b>     |
| <b>11/9</b> | <b>E</b>                             | <b>4.5</b>      | <b>171.5</b>                | <b>92.5</b>         | <b>5,025.2</b>           | <b>5,293.7</b>      |
| <b>13/9</b> | <b>F</b>                             | <b>12.9</b>     | <b>39.9</b>                 | <b>16.3</b>         | <b>2,291.3</b>           | <b>2,360.4</b>      |
| <b>15/9</b> | <b>G</b>                             | <b>1.7</b>      | <b>17.6</b>                 | <b>12.4</b>         | <b>508.3</b>             | <b>540.0</b>        |
| <b>18/9</b> | <b>H</b>                             | <b>0.0</b>      | <b>0.0</b>                  | <b>0.0</b>          | <b>9.2</b>               | <b>9.2</b>          |
|             | <b>Aggregate of Relevant Amounts</b> | <b>882.7</b>    | <b>1,944.0</b>              | <b>1,439.5</b>      | <b>39,349.7</b>          | <b>43,615.9</b>     |

\* Disabled person's reductions

- 5.5 The aggregate of 'Relevant Amounts' expressed as a Band D equivalent is calculated as **43,615.9**. This figure is based on a 100% collection rate in 2020/21.
- 5.6 For 2020/21, 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 2020/21 council tax base 'T' will be as follows:

Aggregate of Relevant Amounts or 'A' (i.e. **43,615.9**) x Collection Rate or 'B' (i.e. **98.4%**) = council tax base 'T' (i.e. **42,918.1**).

### **Change in Taxbase 2019/20 to 2020/21**

- 5.8 The table below sets out the change in the Council's taxbase between 2019/20 and 2020/21:

|  | <b>2019/20</b> | <b>2020/21</b> | <b>Change from 2019/20</b> |          |
|--|----------------|----------------|----------------------------|----------|
|  | <b>No's</b>    | <b>No's</b>    | <b>No's</b>                | <b>%</b> |
| Slough Borough Aggregate of Relevant Amount        | 43,485.6       | 43,615.9       | 130.3                      | 0.3%     |
|  |                |                |                            |          |
| Taxbase after allowing for assumed collection rate | 42,789.8       | 42,918.1       | 128.3                      | 0.3%     |

- 5.9 Members will note that the taxbase for all areas has an estimated increased of 0.3% from 2019/20, equivalent to a net increase of 128.3 properties.

## **Business Rates 2020/21**

- 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 2020/21. 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 2020/21 revenue budget be delegated to the s151 officer following consultation with the Lead Member for Governance and Customer Services.

### **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 2020/21, as follows:
- |                                    |                 |
|------------------------------------|-----------------|
| i) Parish of Britwell              | 868.6           |
| ii) Parish of Colnbrook with Poyle | 1,912.9         |
| iii) Parish of Wexham Court        | 1,416.5         |
| iv) Slough Town                    | 38,720.1        |
| <b>v) All areas</b>                | <b>42,918.1</b> |
- 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 2020/21 via the NNDR1 form following consultation with the Lead Member for Governance and Customer Services.

## **7 Background Paper**

- '1' - CTB1 Form (October 2019)
- '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