

**FLINTSHIRE COUNTY COUNCIL**

<b>Date of Meeting</b>	Thursday, 1 March 2018
<b>Report Subject</b>	Council Tax Setting for 2018-19
<b>Report Author</b>	Chief Officer (Community & Enterprise)

**EXECUTIVE SUMMARY**

At a meeting on the 20<sup>th</sup> February 2018, a decision was reached on the Council Fund Revenue Budget for 2018-19 which incorporates setting Council Tax as detailed in this report.

Council Tax includes three separate charges, otherwise known as precepts, which make up the overall level of Council Tax which is charged against each property. These include the County Council precept as well as the precepts for the Office of the Police and Crime Commissioner for North Wales and the Town and Community Council precepts.

Council Tax is usually expressed at a standard Band D rate which results in Council Tax being charged at lower levels for those properties in Bands A to C, and at higher levels for those properties in Band E to I.

For 2018-19, the recommended levels of Council Tax for each property band and for Town and Community Council area are set out in Appendix 1 to this report.

**RECOMMENDATIONS**

1	Set 2018-19 Council Tax as detailed in Appendix 1.
2	Note and endorse the continuation of the policy of not providing a discount in the level of Council Tax charges for second homes and long term empty homes, and where exceptions do not apply, to charge the Council Tax Premium rate of 50% above the standard rate of Council Tax for second homes and long term empty dwellings.
3	Approve designated officers to issue legal proceedings and appear on behalf of the Council in the Magistrates Court for unpaid taxes.

## REPORT DETAILS

1.00	EXPLAINING THE COUNCIL TAX SETTING EXERCISE
1.01	The Council Tax charges for 2018-19 include precepts relating to the County Council, Police and Crime Commissioner for North Wales and all Town/Community Councils.
1.02	There are several statutory decisions that need to be taken and these are divided into the following sections in Appendix 1 :-
1.03	<b>Section 1</b> – this details the Council Tax Base for 2018-19, as previously approved by cabinet, and shows the number of properties expressed as Band D equivalents (shown in total and by each Town/Community Council). The Tax Base also takes into account appropriate adjustments for statutory discounts, exemptions, premiums and assumed losses in collection.
1.04	<b>Section 2</b> – this details the income and expenditure of the County Council and Town and Community Councils. It also sets out the amount of Council Tax to be charged across the various Valuation Bands in respect of the County Council precept and each Town/Community Council precept.
1.05	<b>Section 3</b> – this details the specific amount of Council Tax that is to be charged in each Valuation Band as a direct result of the precept set by the Police & Crime Commissioner for North Wales.
1.06	<b>Section 4</b> – details the standard amount of Council Tax that taxpayers will be required to pay from April 2018, recognising that some households will pay less because of discounts or exemptions and some will pay more in the event of the Council Tax Premium being payable.
1.07	<p><b>Section 5</b> – re-affirms the continuation of the current policy in 2018-19 of not granting discounts on second homes and long term empty properties which are defined by Regulations as three Prescribed Classes of Dwellings</p> <ul style="list-style-type: none"><li>• Class A – dwellings which are not a person’s sole and main residence and which are substantially furnished with a restriction on occupancy for a period of at least 28 days consecutive days in any 12 month period (referred to as second homes)</li><li>• Class B – dwellings which are not a person’s sole and main residence and which are substantially furnished with no restriction on occupancy (also referred to as second homes)</li><li>• Class C – dwellings which are not a person’s sole and main residence which are also unfurnished and unoccupied and have been so for a period of over 6 months in most cases.</li></ul> <p>The current policy of not offering a discount on second and long term empty homes forms part of a wider strategy of encouraging owners to bring property back into full use and is crucial to the implementation of the Council Tax Premium scheme where an additional charge, otherwise known as a Premium, will apply. In other words, is it essential to continue to adopt of policy of not awarding discounts on such properties in order to levy a Council Tax Premium.</p>

1.08	<b>Section 6</b> – in view of the determination previously made by full Council in March 2016 to introduce a Council Tax Premium scheme from April 2017, unless there are exceptions to be applied, Council Tax for 2018-19 will be charged at a premium rate of 50% above the standard rate of Council Tax for those dwellings that are defined as ‘second homes’. A Council Tax premium of 50% will also apply to those dwellings defined as ‘long term empty’ which have been empty for a continuous period of one year.
1.09	<b>Section 7 &amp; 8</b> – approves designated officers to issue legal proceedings and appear on behalf of the Council in the Magistrates Court when prosecuting in cases of unpaid Council Tax and Business Rates.
1.10	<b>Section 9</b> – provides for the advertisement of the Council Tax for 2018-19 in the local press as required by Regulation.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Setting the Council Tax for 2018-19 is an annual process to determine the new charges for the next financial year as part of the overall budget strategy.
2.02	Setting Council Tax at the levels recommended in this report will allow the Council to work to a balanced budget after taking into account other considerations and efficiency targets for 2018-19.
2.03	The Council will raise, through its own precept, Council Tax of £75,172,096 which will help to partly fund the running of local services.
2.04	As part of the setting of Council Tax for 2018-19, the Council will also pay to the Police and Crime Commissioner for North Wales a total precept of £16,477,090 The precepts for each Town and Community Council vary but collectively a precept £2,847,055 will be distributed between the Town and Community Councils, based on the individual precept requirements for each Town and Community Council.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	There is a statutory duty to consult with non-domestic ratepayers on the Council’s budget proposals, including proposals for capital expenditure, before the commencement of each financial year and a consultation exercise has been undertaken to fulfil the legal requirements.
3.02	The Councils budget agreement for 2018-19 now result in the setting of Council Taxes as detailed in this report. The budget proposals have already been discussed at all Overview and Scrutiny Committees and finally at Corporate Resources Overview and Scrutiny Committee.
3.03	The final budget proposals to determine the proposed level of Council Tax charges were also agreed at County Council on 20 <sup>th</sup> February 2018.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The Council also has a responsibility to issue Council Tax bills and to also collect the precepts on behalf of the Police & Crime Commission for North Wales and Town/Community Council.
4.02	Setting the Council Tax at full Council will therefore fulfil all statutory requirements to set and collect Council Taxes from April 2018.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 contains all resolutions and decisions needed to set the 2018-19 Council Tax.
5.02	Appendix 2 provides statistical information of the 2018-19 Council Tax charges by Town and Community Council area.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<ul style="list-style-type: none"> <li>• Local Government Finance Act 1992</li> <li>• Local Government Act 1972 and 2003</li> <li>• Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations</li> <li>• Housing (Wales) Act 2014</li> </ul> <p><b>Contact Officer:</b> David Barnes, Revenues Manager  <b>Telephone:</b> 01352 703652  <b>E-mail:</b> <a href="mailto:david.barnes@flintshire.gov.uk">david.barnes@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Council Tax Base:</b> is a measure of the Council's 'taxable capacity' taking into account the number of properties subject to Council Tax after taking into account discount and exemption schemes.
7.02	<b>Council Tax Precepts:</b> Council Tax is made up of three separate components or charges, these are often referred to as 'precepts'. The Police and Crime Commissioner get part of their funding from Council Tax to pay for Police services and local Town and Community Councils rely almost entirely on funding from Council Tax to fund the running of Town and Community Council services.
7.03	<b>Valuation Bands:</b> The amount of Council Tax that is paid depends on the Valuation Band for each domestic property. The Valuation Office Agency (VOA) is responsible for valuing all properties in Wales and placing every property in one of nine property bands, ranging from Band A to Band I.
7.04	<b>Council Fund Revenue Budget:</b> Prior to the start of each financial year, the Council is required to set a budget for its day-to-day expenditure to pay

	for local service. This is called a Revenue Budget and is the amount of money the Council requires to provide its services during the year, taking into account grants it also receives from Welsh Government.
7.05	<b>Council Tax Premium scheme:</b> From April 2017, local authorities in Wales will be able to charge a premium of up to 100% of the standard rate of council tax on long term empty homes and second homes. The scheme is intended to be a useful tool to help local authorities to bring back these homes into full use and to support the supply of housing.