



Reading
Borough Council

Working better with you

Summons and Agenda 22 January 2019

**Chief Executive
Reading Borough Council
Civic Offices, Bridge Street,
Reading, RG1 2LU**



Reading
Borough Council
Working better with you

Peter Sloman
CHIEF EXECUTIVE

Civic Offices, Bridge Street,
Reading RG1 2LU
☎ 0118 937 3787

To: All Members of the Council

Direct: ☎ 0118 937 2303
e-mail:
michael.popham@reading.gov.uk

14 January 2019

Your contact is: Michael Popham - Democratic Services Manager

Dear Sir/Madam

You are hereby summoned to attend a meeting of the Reading Borough Council to be held at **Council Chamber, Civic Offices, Reading**, on **Tuesday, 22 January 2019 at 6.30 pm**, when it is proposed to transact the business specified in the Agenda enclosed herewith.

Yours faithfully

CHIEF EXECUTIVE

A G E N D A

1. **MAYOR'S ANNOUNCEMENTS**

To receive Mayor's Announcements.

2. **DECLARATIONS OF INTEREST**

To receive any declarations of interest.

3. **MINUTES**

7 - 14

The Mayor to sign the Minutes of the proceedings of the Council Meeting held on

4. **PETITIONS**

To receive petitions in accordance with Standing Order 8.

5. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

Questions in accordance with Standing Order 9.

6. **QUESTIONS FROM COUNCILLORS**

Questions in accordance with Standing Order 10.

REPORTS AND RECOMMENDATIONS FROM COMMITTEES

7. **APPROVAL OF THE LOCAL COUNCIL TAX SUPPORT SCHEME AND THE COUNCIL TAX BASE FOR 2019/20**

15 - 20

Report by Director of Resources

MOTIONS

8. **UNPAID TRIAL SHIFTS FOR PROSPECTIVE EMPLOYEES**

Councillor Barnett-Ward to move:

This Council notes:

That legislation around the use of unpaid trial shifts for prospective employees is unclear and allows unscrupulous employers to exploit job seekers.

That Unite the Union has reported a six-fold increase in complaints related to unpaid trial shifts.

That an attempt to introduce national legislation to require trial shifts to be paid at least minimum wage failed the second reading because it was 'talked out' by the Minister for Small Business, Consumers and Corporate Responsibility.

This Council believes:

That workers should be paid for their work, including training time.

That making a job offer conditional on the job seeker being willing and able to work for free is a discriminatory practice, particularly disadvantaging job seekers with caring responsibilities, or who require special accommodations to work.

That responsible employers who require trial shifts before making an offer of employment should pay the applicant at least the national minimum wage for the time they work.

This Council resolves:

To ask officers to report back to an appropriate committee on the development of an accreditation scheme that encourages and celebrates ethical recruitment practices by Reading's employers, including, but not limited to, a commitment to paying people during any trial period.

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Members of the public who participate in the meeting will be able to speak at an on-camera or off-camera microphone, according to their preference.

Please speak to a member of staff if you have any queries or concerns.

Present: Councillor D Edwards (Mayor);

Councillors David Absolom, Debs Absolom, Ayub, Ballsdon, Barnett-Ward, Brock, Davies, Eden, Emberson, Ennis, Gavin, Gittings, Grashoff, Hacker, Hopper, Hoskin, James, Jones, Kaur, Khan, Lovelock, Manghnani, Maskell, McDonald, McEwan, McGonigle, McKenna, O'Connell, Page, Pearce, Robinson, Rowland, D Singh, R Singh, Skeats, Stevens, Terry, Vickers, Warman, White and R Williams and Woodward.

Apologies: Councillors K Edwards, Stanford-Beale and J Williams.

25. MAYOR'S ANNOUNCEMENTS

The Mayor paid tribute to a former Councillor, Christine Borgars, who had sadly died recently. Christine had been a member of the Council between 1993 and 2006, representing Park Ward. The Council stood in silence in her memory and as a mark of respect.

26. MINUTES

The Minutes of the meeting held on 26 June 2018 were confirmed as a correct record and signed by the Mayor.

27. QUESTIONS FROM MEMBERS OF THE PUBLIC IN ACCORDANCE WITH STANDING ORDER 9

	<u>Questioner</u>	<u>Subject</u>	<u>Answer</u>
1.	Mary Neale	Local Area of Special Character	Cllr Page
2.	Tamzin Morphy	Cross Town Route Proposals	Cllr Lovelock
3.	Roger Lightfoot	Reading Sport and Leisure	Cllr Hoskin
4.	Roger Lightfoot	Reading Sport and Leisure	Cllr Hoskin
5.	Anne Green Jessel	Reading Sport and Leisure	Cllr Hoskin
6.	Peter Burt	Sports Forum	Cllr Hoskin
7.	Nicola Orr	Breastfeeding Support	Cllr Hoskin
8.	Keith Kerr	Interest Charge Payments	Cllr Brock
9.	Keith Kerr	Central Club	Cllr James
10.	Keith Kerr	Compensation Payments and Legal Fees	Cllr Brock

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As there was insufficient time, pursuant to Standing Order 9(6), a written reply to Question 10 above would be provided in accordance with Standing Order 9(8).

(The full text of the questions and replies was made available on the Reading Borough Council website).

28. QUESTIONS FROM COUNCILLORS IN ACCORDANCE WITH STANDING ORDER NO 10

	<u>Questioner</u>	<u>Subject</u>	<u>Answer</u>
1.	Cllr Rowland	East Reading Mass Rapid Transit	Cllr Page
2.	Cllr J Williams	Let's Ride Cycle Events	Cllr Page
3.	Cllr White	Housing Crisis in Reading	Cllr Ennis
4.	Cllr White	East Reading Mass Rapid Transit Funding	Cllr Page
5.	Cllr Emberson	Reducing Homelessness	Cllr Ennis
6.	Cllr McGonigle	Engine Idling	Cllr Page
7.	Cllr McGonigle	Abandoned Fridges and Freezers	Cllr James
8.	Cllr Eden	Anti Social Encampments	Cllr James
9.	Cllr Vickers	Traveller Incursions	Cllr James

As there was insufficient time, pursuant to Standing Order 10(4), a written reply to Questions 6-9 above would be provided in accordance with Standing Order 10(7).

(The full text of the questions and replies was made available on the Reading Borough Council website).

29. TRANSFER OF READING BOROUGH COUNCIL'S CHILDREN'S SERVICES TO BRIGHTER FUTURES FOR CHILDREN LIMITED (A WHOLLY OWNED SUBSIDIARY COMPANY OF READING BOROUGH COUNCIL)

In accordance with section 100B (4)(b) of the Local Government Act 1972, the Mayor agreed that this item of business should be considered as a matter of urgency, because at the time of the original despatch of the Council agenda on 8 October 2018 necessary work was still ongoing to finalise the report and associated papers for this meeting. The Mayor was also satisfied that the report could not be deferred to the next meeting of the Council, which was due to take place on 22 January 2019, as the decisions set out in the recommended action would need to be considered prior to the proposal to establish Brighter Futures For Children Limited from 1 November 2018.

Further to the Minute 59 of Policy Committee on 15 January 2018, and Minute 5 of the Adult Social Care, Children's Services and Education (ACE) Committee on 11 July 2018,

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the Chief Executive submitted a report setting out the decisions required by the Council to transfer the delivery of the Council's children's services to a newly established, wholly owned subsidiary Company of the Council, Brighter Futures for Children Limited ('BFfC'/the 'Company'). This followed the recommendation of the Children's Services Commissioner, to establish a 'full service' children's company, which was formally endorsed at Policy Committee on 15 January 2018. As part of this endorsement, the Committee also agreed to transfer the Council's Children's Social Care, Early Help and Education services to the Company. Therefore, this report was seeking approval to the formal transfer of the Council's children's services to the Company, which included the direct award of a services contract to BFfC for the delivery of the Council's children's services through a service delivery contract. The report also sought approval for other key documents which would underpin the relationships between the Council and BFfC, in particular the Company's Articles of Association.

The report further asked for approval to the transfer of relevant Council staff and assets to BFfC; and to amend relevant parts of the Council's Constitution and register of delegations to reflect the establishment of BFfC as an independent, wholly owned subsidiary Company of the Council. The report had attached:

- Appendix A: Memorandum of Understanding (28 March 2018)
- Appendix C: Revised Portfolios for Lead Councillors for Children and Education
- Appendix D: Revised terms of reference for the Adult Social Care, Children's Services & Education, and Policy Committees
- Appendix E: Property Matters
- Appendix F: Support Services - Service Level Agreements Summary

In addition, the draft Articles of Association; Governance Side Agreement; and Service Delivery Contract, listed as Appendix B in the report, had been provided in confidence to all Councillors because they were draft documents, which would be published once they had been finalised. At this stage, it was likely that making these documents public would disclose information relating to the financial or business affairs of the authority and the Company, which was exempt under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

The following motion was moved by Councillor Terry and seconded by Councillor Pearce and CARRIED:

Resolved -

- (1) That the Articles of Association for the Company (which include the Council's reserved matters in relation to the Company) and the Governance Side Agreement, at Appendix B (i) and (ii) which had been provided to Councillors confidentially, be noted and the Chief Executive, in consultation with the Leader of the Council and Lead Councillors for Education, Children and Corporate & Consumer Services, be authorised to finalise the terms of the above documents;
- (2) That the intention to directly award the Service Delivery Contract, at Appendix B (iii) which had been provided to Councillors confidentially, to BFfC for the provision of the Council's children's social care, education and early help functions set out in Section 8 of the report, in accordance

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with the Memorandum of Understanding between the Council and the Department for Education and in line with the agreed resolution of Policy Committee on 15 January 2018 (Minute 59 refers), be noted and the Chief Executive, in consultation with the Leader of the Council and Lead Councillors for Education, Children and Corporate & Consumer Services, be authorised to finalise the terms of the above document;

- (3) That the contracting-out of the performance and discharge of the Council's children's social care functions and the relevant education and early years functions, listed in Section 9, pursuant to the said Service Delivery Contract and in accordance with [Section 1 of the Children and Young Persons Act 2008 and the Contracting Out (Local Authority Education Functions) (England) Order 2002], be authorised and approved;
- (4) That the transfer of and/or provision via Service Level Agreements of support services by the Council to BFfC, via the Support Services Agreement in the Service Delivery Contract as set out in Section 12, be approved;
- (5) That the transfer of property (by way of lease), assets and third party contracts from the Council to BFfC be approved, as set out in Section 13 of the report, and the necessary licences, leases and contracts be entered into;
- (6) That the transfer of all relevant staff via TUPE (Transfer of Undertakings (Protection of Employment) arrangements on the Service Delivery Contract commencement date, as set out in Section 15 of the report, be approved;
- (7) That the Council's proposal for designated body status in relation to the pension arrangements of all transferred staff, as set out in Section 15 of the report, be approved;
- (8) That with regard to the Council's Constitution:
 - a) the revised portfolios for the Lead Councillors for Children, and Education, attached at Appendix C, be agreed;
 - b) the revised terms of reference for the Adult Social Care, Children's Services & Education Committee, to reflect the transfer of the direct provision of children's social care, education services and early help functions to Brighter Futures for Children, and the new role of oversight of the RBC clienting function of the contract with Brighter Futures for Children, attached at Appendix D, be agreed;
 - c) the function of exercising the Council's sole membership/ownership of Brighter Futures for Children be added to the terms of reference of the Policy Committee;
 - d) the Monitoring Officer be authorised to make any other necessary amendments to the Council's Constitution and Scheme of Officer

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Delegation to reflect the establishment and responsibilities of BFfC, in conjunction with the Director of Children, Education and Early Help Services, and to report these for retrospective approval to the Annual Council Meeting in May 2019;

- (9) That the Chief Executive, in consultation with the Leader of the Council and Lead Councillors for Education, Children and Corporate & Consumer Services, be authorised to finalise the terms of the new arrangements with BFfC and the Department for Education prior to formal transfer of the children's services to the Company pursuant to the Service Delivery Contract; and be delegated authority to make a Council appointment to the Board of Directors of the Company;
- (10) That the Head of Legal & Democratic Services be authorised to execute all legal documents that would be necessary to give effect to the above resolutions.

30. REVIEW OF LICENSING POLICY AND CUMULATIVE IMPACT ASSESSMENT

Further to Minute 3 of the Licensing Applications Committee held on 25 September 2018, the Director of Environment and Neighbourhoods submitted a report seeking approval to revisions to the Licensing Policy and the Cumulative Impact Assessment in respect of the Town Centre. The report stated that the Council, as the named Licensing Authority for Reading, was required under the provisions of the Licensing Act 2003 to review its licensing policy every five years. The current licensing policy would be in force until 22 October 2018. The report explained that the Council was also now required to publish a Cumulative Impact Assessment for any cumulative impact area in Reading. There had been a Cumulative Impact area in the town centre since 2010. The report had appended the revised Licensing policy document at Appendix RF-1 and the Cumulative Impact Assessment at Appendix RF-2.

The following motion was moved by Councillor James and seconded by Councillor Maskell and CARRIED:

Resolved -

- (1) That the revised Licensing Policy, as attached to the report at Appendix RF-1, be approved for implementation on 22 October 2018, as recommended by Licensing Applications Committee on 25 September 2018 (Minute 3 refers);
- (2) That the Cumulative Impact Assessment in respect of the Town Centre Cumulative Impact Area, as attached to the report at Appendix RF-2, be approved for implementation on 22 October 2018, as recommended by the Licensing Applications Committee on 25 September 2018 (Minute 3 refers).

31. CONSTITUTIONAL CHANGES - PROCUREMENT RULES

The Director of Resources submitted a report on a review of the Council's Contract Procedure Rules (CPRs). The report set out proposed changes to the CPRs in order to update them and align them with best practice. The proposed changes were set out

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in Appendix A to the draft report. As the Contract Procedure Rules formed part of the Council's Constitution (within Part 4: Rules of Procedure) they were a reserved matter and these changes therefore required Council approval. The relevant sections of the Constitution would be amended and published on the Council's website.

The following motion was moved by Councillor Brock and seconded by Councillor Lovelock and CARRIED:

Resolved -

- (1) That the revised Contract Procedure Rules as set out at Appendix A to the report be approved;
- (2) That the Head of Procurement and Contracts be authorised to make minor revisions to the Contract Procedure Rules in consultation with the Head of Legal and Democratic Services and the Director of Resources, such revisions to be limited to reflect changes to number and/or section title cross references of other relevant parts of the Constitution if they were subsequently amended (e.g. Financial Regulations or Delegations Register), job titles, titles of guides, titles of forms and/or governance boards that may be referred to in the Rules;
- (3) That the Monitoring Officer be authorised to make any required amendment(s) to delegations needed within the Delegations Register and/or the Financial Regulations to reflect the agreed Contract Procedure Rule changes as appropriate.

32. STANDARDS COMMITTEE

The Monitoring Officer submitted a report on the Minutes of the meeting of the Standards Committee of 28 June 2018, which were attached at Appendix A.

The report advised that Chapter 7 of the Localism Act 2011 had ended the statutory standards regime set up by the Local Government Act 2000, and introduced in its place a duty on local authorities to promote and maintain high standards of conduct by Councillors and Co-opted Members, including adopting a local Member code of conduct. The Act also required local authorities to adopt arrangements to deal with allegations that Members had not complied with their local Code of Conduct, and allowed local authorities to establish a local Standards Committee, and to make Standing Orders relating to aspects of the standards process. The local Standards Committee had been first established at the Annual Council Meeting on 23 May 2012.

The following motion was moved by Councillor Brock and seconded by Councillor Gavin and CARRIED:

Resolved -

- (1) That the Minutes of the Standards Committee held on 28 June 2018, as attached at Appendix A to the report, be received;
- (2) That, in the interests of completeness, the Monitoring Officer's delegated authority, under Section 33 of the Localism Act 2011, to grant

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a dispensation from the restrictions in Section 31(4) of the Act, which would allow members of the authority with a disclosable pecuniary interest to take part and vote on decisions in certain prescribed circumstances as set out in paragraph 1.3 of the report be included in the Members' Code of Conduct at paragraph 7.7.4.

33. SCHOOLS FUNDING

Pursuant to Notice, a motion was moved by Councillor Pearce and seconded by Councillor David Absolom and CARRIED:

Resolved -

This Council notes that nationally:

According to the IFS:

- Funding per pupil has fallen 8% since 2010
- Sixth form funding has been cut by 25%
- Local authority support is down by 55%.
- Between 2015 and 2017 the core schools budget up to the age of 16 fell by 4%

According to the Department for Education's own figures, more than **2,000 children** in England with special educational needs and disabilities (SEND) have no education provision at all.

According to the NEU:

- 88% of schools are still facing real-terms budget cuts per pupil between 2015/16 and 2019/20.
- For the average primary school this will be a loss of £52,546 per year
- For the average secondary school this will be a loss of £178,321 per year

In Reading according to the Schools Cuts website:

- 43 of 43 Reading schools face cuts
- Schools will have lost £4.9m between 2015-2020
- This equates to a £281 loss per pupil
- Average class sizes in Reading have increased

The School Teachers Review Body recent report into teachers' pay recommended a 3.5% pay increase for ALL teachers. This has been ignored by the Government and will further increase the recruitment and retention crisis. It will also place further pressures on Schools budgets and the Education budget as no new funding has been identified from Government.

This Council resolves to write to the education minister Damian Hinds, along with Matt Rodda, MP for Reading East and the National Education Union to ask if he will rethink the plans to further reduce spending per pupil in this Parliament.

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(The meeting closed at 8.14 pm).

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	22 JANUARY 2019	AGENDA ITEM:	7
TITLE:	APPROVAL OF THE LOCAL COUNCIL TAX SUPPORT SCHEME AND THE COUNCIL TAX BASE FOR 2019/20		
LEAD COUNCILLOR:	COUNCILLORS BROCK AND LOVELOCK	PORTFOLIO:	CORPORATE & CONSUMER SERVICES
SERVICE:	FINANCE AND CUSTOMER SERVICES	WARDS:	BOROUGHWIDE
LEAD OFFICER:	MATT DAVIS	TEL:	0118 937 2954
JOB TITLE:	HEAD OF FINANCE	E-MAIL:	Matthew.Davis@Reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Section 33 of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 requires the Council as the Billing Authority to calculate a Council Tax Base for its area by 31 January each year.
- 1.2 The Welfare Reform Act 2012 and Local Government Finance Act 2012 replaced the Council Tax Benefit scheme with a locally determined Council Tax Reduction Scheme (also known as a local Council Tax Support Scheme), which is effectively a type of Council Tax discount. This act requires the Council to approve the scheme by the end of January preceding the start of the financial year. The recommended scheme for 2019/20 is a continuation of the scheme that was agreed by Council for 2018/19.

2. RECOMMENDED ACTION:

That Council be recommended to:

- 2.1 Note a Council Tax collection rate of 99% for 2019-20;
- 2.2 Agree the existing Council Tax Local Reduction Scheme is retained for 2019/20;
- 2.3 Note that the 2019/20 Council Tax Reduction Scheme allowances will be updated in line with the scheme's regulations;
- 2.4 Subject to determining how it wishes to proceed with increasing the premium on Long Term Empty properties, the options for which are set out in another report on the Agenda, sets Reading Borough Council's Council Tax Base for the financial year 2019/20 at:

a) 55,884 if the Long Term Premium on empty properties recommendation is accepted (see paragraph 5.12, Table 4), or

b) 55,832 if the Long Term Premium on empty properties recommendation is not accepted (see paragraph 5.5, Table 2)

2.5 Note an estimated surplus on the Council Tax Collection Fund in 2018-19 of £200k of which the Council's share is £173k.

3. POLICY CONTEXT

3.1 Under Government regulations it is necessary for the Council to review its Collection Fund and decide the following:

- It's Council Tax Collection Rate for 2019/20;
- It's Council Tax Reduction Scheme for 2019/20;
- The Council Tax Base to be used for setting its 2019/20 Council Tax; and
- The estimated Council Tax surplus or deficit for 2018/19.

4. COUNCIL TAX REDUCTION SCHEME

4.1. The Local Government Finance Act 2012 replaced the Council Tax Benefit scheme with a new locally determined Council Tax Reduction Scheme (also known as a local Council Tax Support scheme) from April 2013. This is effectively now a Council Tax discount.

4.2. Each local authority is required to annually set a local Council Tax Reduction scheme for working age claimants. The government continues to operate a statutory national scheme for pensioners, which provides them with broadly the same level of Council Tax Support as they received under the previous Council Tax Benefit scheme, but has been adjusted by the Government since its introduction to incorporate a number of welfare reform initiatives.

4.3. The local Council Tax Reduction scheme was initially funded through a specific central government grant set at 90% of each local authority's Council Tax Benefit expenditure. The government funding since 2014/15 has been rolled into the government's overall Revenue Support Grant settlement.

4.4. In 2018/19 the Council's scheme was updated as follows:

- Minimum contribution to Council Tax is 35%;
- Capital limit is £3,000;
- Non-dependant deductions (based on income) is £10.00 per week for those not engaged in remunerative work (working less than 16 hours per week) and/or have gross earnings less than £196.95 per week;
- Non-dependant deductions for those engaged in remunerative work (16 hours or more) with gross weekly earnings of £196.95 per week and above is £15.00 per week.

- 4.5. These changes have been in place for the last year and it has not had significant impact to the working age customers it affects. There has not been a significant impact on in-year collection rate.
- 4.6. Pension age customers continue to be protected with the default scheme based on 100% support based on a financial means test.
- 4.7. The Reading minimum charge is at the higher end of charges implemented by councils for those in receipt of a Council Tax Reduction. An increase above the general increase would have a negative impact on vulnerable people in receipt of these benefits who are also impacted by other welfare reforms. It will also impact on the collection of Council Tax from these people.
- 4.8. It is therefore recommended that the Council retains the same Council Tax Reduction Scheme in 2019/20 as applied in 2018/19.
- 4.9. There is no need for public consultation as there are no changes to the Scheme.

5. CALCULATION OF TAX BASE

- 5.1. The Council Tax Base is used in the Council's 2019/20 budget and by precepting authorities (the Police and Fire authorities) to determine how much Council Tax income will be received. .
- 5.2. The Tax Base relates to the estimated number of Band D equivalent properties in Reading. This is calculated by taking the number of registered properties in Reading which is then reduced for property or resident discounts and then converted to a Band D equivalent number of properties. Band D is used for comparison purposes with other Local Authorities and is assumed to be the average council tax banding. Reading's dwellings on average are between band C and band D. Registered properties at 30th November 2018 are set out in the Table 1 below, together with the Band D equivalent.

Table 1: Number of properties in each Council Tax Band

Band	Number of Properties in Band	Amount Payable as a Proportion of Band D	Band D Equivalent	%
A	6,907	6/9	4,605	9.6%
B	14,233	7/9	11,070	19.8%
C	29,123	8/9	25,887	40.4%
D	10,976	9/9	10,976	15.2%
E	5,535	11/9	6,765	7.7%
F	3,287	13/9	4,748	4.6%
G	1,844	15/9	3,073	2.6%
H	83	18/9	166	0.1%
Total	71,988		67,290	100.0%

- 5.3. The current number of Band D equivalent properties is then adjusted for anticipated growth between 30th November 2018 and 31st March 2020, the end

of the 2019/20 financial year. An allowance of 1% is then deducted for non-collection.

- 5.4. The estimated increase is based on past trends, properties that haven't yet appeared on the valuation list, and planning estimates of housing growth. For 19/20 the figures have been adjusted to factor in a potential slowing of housing sales due to Brexit uncertainty.
- 5.5. Elsewhere on the agenda there is a report recommending the increase in the Council's Long Term Empty Property premium in line with new legislation. Table 2 below sets out the calculation of the Council Tax Base for Reading for 2019/20 assuming the recommendation is not approved. It results in an increase of 1,104 Band D equivalent properties compared to the 2018/19 Tax Base, from 54,850 to 55,832.

Table 2: Calculation of Council Tax Base Excluding Increase in Long Term Empty Premium

	Properties	
	Adjustments	Totals
The total number of dwellings on the Valuation list at 30.11.18		71,988
Reduction for discounts, e.g. students, single person, empty properties after allowing for premiums	(8,967)	
Less Discounts in relation to the Council Tax Reduction Scheme	(4,861)	
Net number of chargeable dwellings at 30.11.18		58,161
Band D Equivalent Properties at 30.11.18		55,399
Estimated growth of 1.8%	997	
Estimated Band D Properties 2019/20		56,396
Reduction for non-collection of 1%	(564)	
2019-20 Council Tax Base excluding option of additional premium on empty properties		55,832

- 5.6. The increase in the Tax Base is positive in terms of increased Council Tax income but this should be understood in the context of additional service pressures caused by housing growth in areas such as social care, refuse collection and school provision.
- 5.7. Estimated property growth is 1.8% above the 2018/19 Council Tax base.
- 5.8. The property growth for 2019/20 accords with planning estimates of the predicted housing trajectory over the next five years in the core strategy.
- 5.9. The growth in the tax base since 2015/16 is shown in Table 3 below:

Table 3: Tax- Base change 2015/16 - 2019/20

	2015/16	2016/17	2017/18	2018/19	2019/20
Tax Base	50,155	51,050	53,671	54,850	55,832
Change	n/a	895	2,621	1,179	982
Change %	n/a	1.8%	5.1%	2.2%	1.8%

- 5.10. The collection rate that is used to calculate the Council Tax base is 99%, i.e. a 1% non-collection. This is based on the Council collecting the majority of the amount outstanding at year-end in the following and subsequent years. This compares with an estimated in-year Council Tax collection rate for 2018/19 of 96.5% which is used for comparison purposes with other councils.
- 5.11. Assuming the recommendation to increase the Premium charged on long term empty properties is agreed (this is subject to another report elsewhere on the 14th January 2019 Policy Committee agenda). It is estimated the amount of Council Tax collectable for Reading will increase by £82,425 in 2019/20. Assuming non-collection of 1% this would increase the Council Tax Base to 55,884 (another 52 Band D equivalent properties) as set out in Table 4 below:

Table 4: Impact of increasing the premium on long term empty properties

	Properties	
	Adjustments	Totals
2019-20 Council Tax Base excluding option of additional premium on empty properties		55,832
Equivalent Band D properties increase if the additional premium is introduced	52	
2019-20 Council Tax Base including option of additional premium on empty properties		55,884

6. RISK MANAGEMENT

- 6.1. There are two key risks in setting the Council Tax Base: property growth and collection rates. The impact of either would mean a shortfall on the Collection Fund in 2019/20 which would have to be recovered in 2020/21. A 1% shortfall in growth of the Tax Base would result in a shortfall of £882k in the Reading share of the Collection Fund. This needs to be balanced against the Council setting a rate too low meaning it needs to increase the level of savings.
- 6.2. Whilst housing sales could stall in the first part of the year due to Brexit uncertainty. This is likely to be mitigated to some extent by Reading being in a high growth area, which will increase with the advent of Cross Rail.
- 6.3. Collection rates may reduce, however, the Council have good overall performance in this area, collecting 99% of Council Tax raised and there is no risk from increasing the minimum charge for Council Tax Reduction.

7. CONTRIBUTION TO STRATEGIC AIMS

- 7.1. To secure the most effective use of the Council's resources in the delivery of high quality, best value public services.

8. COMMUNITY ENGAGEMENT AND INFORMATION

- 8.1. Not applicable

9. EQUALITY IMPACT ASSESSMENT

9.1. An equality impact assessment is not required as no changes are proposed for discounts or exemptions to Council Tax.

10. LEGAL IMPLICATIONS

10.1. The Council is required to determine the Council Tax Base for the next financial year by 31st January 2019.

11. FINANCIAL IMPLICATIONS

11.1. The increase in the Council Tax Base of 982 average Band D properties equates to an increase in the amount of Council Tax income of £1,552k without any increase in the charge. This is based on the 2018/19 Council Tax charge of £1,579.99 for a band D property.

12. BACKGROUND PAPERS

12.1. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.