

CABINET

13 December 2006

COUNCIL TAX BASE 2007/2008

REPORT OF THE DIRECTOR OF FINANCE

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RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

The Council is required to approve the Council Tax Base figure for 2007/2008 by 31st January 2007. The Council Tax Base figure is an integral part of the calculations for setting the level of Council Tax, and is the number of chargeable properties adjusted for certain factors, e.g. single persons' discounts, exemptions etc. This report sets out the factors and the calculations used to arrive at the Council Tax Base for 2007/2008.

RECOMMENDATIONS:

That Cabinet recommend to Council:-

- 1 That the calculations contained in this report for the Council Tax Base for 2007/2008 be approved.
- 2 That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by Winchester City Council for the year 2007/2008 is 46,661.35 properties at Band D equivalent.
- 3 That the amount calculated as the Council Tax Base for each Parish within the area of Winchester City Council and for Winchester Town shall be as stated in Appendix C to this report.

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DETAIL:

1 Introduction

- 1.1 Section 67(2) of the Local Government Finance Act 1992 requires that certain functions must be carried out only by the authority, i.e., Winchester City Council, and these include the calculations concerned with setting the Council Tax.
- 1.2 One of the elements in the calculations and which has to be approved by the Council before 31 January 2007 is the tax base. This report sets out the various factors which have to be taken into account, and provides the calculations as specified in the Local Authorities (Calculation of Council Tax Base) Regulations 1992, to arrive at the tax base for 2007/2008.

2 Tax Base

- 2.1 The starting point for calculating the tax base is the number of chargeable properties within the District. Adjustments are made for single person discounts, properties eligible for two discounts, second home discounts of 10%, properties where a disabled person's reduction is applicable, properties that are exempt and Ministry of Defence properties.

3 Allowances Applied

3.1 Discounts, Exemptions and Disabled Reductions

- a) There are currently 13,977 taxpayers entitled to a 25% discount, 420 taxpayers entitled to a 50% discount and 478 taxpayers entitled to a 10% discount.
- b) There are 1,989 properties exempt from Council Tax, of which 426 are Ministry of Defence (MOD) properties. Although exempt the MOD do pay a contribution in lieu of the Council Tax payable had the property been in private ownership.
- c) Disabled reductions have been granted on 150 properties. These properties are billed at one band below that which is shown in the valuation list.

4 New/Altered Dwellings

- 4.1 An analysis of new and altered dwellings which it is estimated are likely to be completed prior to 31st March 2008, shows that approximately 0.76% of the tax base is attributable to new properties.

5 Calculation of the Tax Base

5.1 The tax base is calculated by applying the formula: -

A x B, where

A. is defined as “the total of the relevant amounts for each of the valuation bands, which is shown or is likely to be shown in the Authority’s valuation list as applicable to one or more dwellings in it’s area”, i.e. the number of chargeable dwellings with certain adjustments.

B. is the Authority’s estimate of its collection rate for that year.

5.2 The calculation for the relevant amounts for the year, beginning 1 April 2007 is shown as Appendix A.

5.3 An estimate of the collection rate is shown in Appendix B (it must be emphasised that the figures used are estimates for this purpose only). One of the factors in estimating the collection rate is an allowance for losses in collection, and for the current year this was estimated at 1.5%. Collection for the current year is on target and with this in mind it would be prudent to make an allowance for losses in collection of 1.5%, as in the current year.

5.4 It will be seen from Appendix A that the total of the relevant amounts (total Band D equivalent) is 46,971.09. The estimate of the collection rate is 98.60% as shown in Appendix B. As outlined in paragraph 3.1 although exempt the MOD do pay a contribution in lieu equal to the full tax payable. Therefore the MOD contribution will be 100% of the charge due, the Band D equivalent of the MOD properties is added to the tax base after the collection rate of 98.60% is taken into account.

The tax base is therefore 46,971.09 x 0.986	=	46,313.48
<u>Add</u> Band D equivalent of MOD properties	=	<u>347.87</u>
TOTAL TAX BASE	=	46,661.35

For information the 2006/2007 tax base was 46,207.85

6 Parishes and Winchester Town

6.1 The relevant amounts have been calculated / estimated for each part of the area and the individual tax base calculated. Tax bases for each Parish and Winchester Town are listed in Appendix C.

OTHER CONSIDERATIONS:

7 CORPORATE STRATEGY (RELEVANCE TO):

7.1 Calculation of the tax base supports all tenets of the Corporate Strategy.

8 RESOURCE IMPLICATIONS:

- 8.1 None directly, but the calculation of the tax base is fundamental to the calculation of the Council Tax and to the Council's ability to finance its planned programmes.

BACKGROUND DOCUMENTS:

Detailed working papers held in the Finance Department.

APPENDICES:

- A. Council Tax Setting – Relevant Amounts.
- B. Estimate of the Collection Rate.
- C. Tax bases for each Parish and Winchester Town.

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APPENDIX A

Council Tax Setting – Relevant Amounts for Winchester (whole area)

Description	Band A disabled relief	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
Dwellings		1,967.00	5,842.00	10,897.00	8,607.00	8,037.00	6,101.00	5,018.00	618.00	47,087.00
Additions		2.76	3.68	19.06	73.34	101.92	91.57	0.92		293.25
Reductions		1.00	1.00	1.00			2.00	1.00		6.00
Exemptions		275.00	280.00	656.00	306.00	188.00	84.00	158.00	42.00	1,989.00
Disabled relief	3	9.00	4.00	11.00	0.00	1.00	-4.00	-11.00	-13.00	0.00
Chargeable dwellings	3	1,702.76	5,568.68	10,270.06	8,374.34	7,951.92	6,102.57	4,848.92	563.00	45,385.25
Discounts										
25%	1	943.00	3,240.00	3,697.00	2,595.00	1,783.00	1,066.00	596.00	56.00	13,977.00
50%	0	53.00	54.00	82.00	91.00	51.00	41.00	31.00	17.00	420.00
10%	0	51.00	38.00	87.00	97.00	81.00	53.00	56.00	15.00	478.00
Total Discounts	0.25	267.35	840.80	973.95	703.95	479.35	292.30	170.10	24.00	3,752.05
Net Dwellings	2.75	1,435.41	4,727.88	9,296.11	7,670.39	7,472.57	5,810.27	4,678.82	539.00	41,633.20
Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
Band D Equivalents	1.53	956.94	3,677.24	8,263.21	7,670.39	9,133.14	8,392.61	7,798.03	1,078.00	46,971.09

Total band D equivalent 46,971.09

APPENDIX B

Estimate of the 2007/2008 Collection RateThe Local Authorities (Calculation of Council Tax Base) Regulations 1992

Collection rate calculation - 2007/2008	Total Aggregate Amount	Aggregate of Amounts likely to be paid
Estimated Gross Debit	59,383,620	1.5% allowances for losses on collection
LESS estimated Council Tax Benefits	4,175,765	
	55,207,855	54,379,737
PLUS transfers to the Collection Fund: estimated Council Tax Benefits	4,175,765	4,175,765
	59,383,620	58,555,502
LESS estimated transfers from the Collection Fund	4,175,765	
	55,207,855	0
	55,207,855	58,555,502
£58,555,502 expressed as a proportion of £59,383,620 is	98.6%	
The Collection Rate for 2007/2008 is therefore	98.6%	

APPENDIX C

COUNCIL TAX FOR EACH PARISH AND WINCHESTER TOWN

	<u>TAX BASE</u> <u>ALLOWING FOR</u> <u>COLLECTION</u> <u>RATE</u>	<u>+ MOD BAND D</u> <u>EQUIVALENT</u>	<u>= TAX BASE</u>
Badger Farm	988.18		988.18
Beauworth	54.26		54.26
Bighton	168.72		168.72
Bishops Sutton	215.06		215.06
Bishops Waltham	2,629.46		2,629.46
Boarhunt	240.98		240.98
Bramdean & Hinton Ampner	209.11		209.11
Cheriton	301.83		301.83
Chilcomb	58.65		58.65
Colden Common	1,540.37		1,540.37
Compton and Shawford	762.22		762.22
Corhampton and Meonstoke	362.65		362.65
Crawley	214.75		214.75
Curdrige	618.25		618.25
Denmead	2,663.74		2,663.74
Droxford	323.23		323.23
Durley	453.10		453.10
Exton	129.34		129.34
Hambledon	495.78		495.78
Headbourne Worthy	272.21		272.21
Hursley	417.92		417.92
Itchen Stoke and Ovington	126.68		126.68
Itchen Valley	707.59		707.59
Kilmeston	128.31		128.31
Kings Worthy	1,752.20		1,752.20
Littleton and Harestock	1,425.47	72.17	1,497.64
Micheldever	590.87		590.87
New Alresford	2,229.80		2,229.80
Northington	126.22		126.22
Old Alresford	262.19		262.19
Olivers Battery	751.98		751.98
Otterbourne	703.17		703.17
Owslebury	385.51		385.51
Shedfield	1,601.54		1,601.54
Soberton	799.68		799.68
South Wonston	967.44	196.10	1,163.54
Southwick and Widley	201.40	79.60	281.00
Sparsholt	306.11		306.11
Swanmore	1,277.20		1,277.20
Tichborne	86.39		86.39
Twyford	694.12		694.12
Upham	312.83		312.83
Warnford	109.33		109.33
West Meon	372.13		372.13
Wickham	1,663.96		1,663.96
Whiteley	1,264.28		1,264.28
Winchester Town	13,765.11		13,765.11
Wonston	582.16		582.16
Totals	46,313.48	347.87	46,661.35