

CABINET

8 December 2010

COUNCIL TAX BASE 2011/2012

REPORT OF HEAD OF REVENUES

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RECENT REFERENCES:

[CAB1933](#) – Council Tax Base 2010/11, 9 December 2009

EXECUTIVE SUMMARY:

The Council is required to approve the Council Tax Base figure for 2011/2012 by 31 January 2011. 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 2011/2012.

RECOMMENDATIONS:

That Cabinet recommend to Council:-

- 1 That the calculations contained in this report for the Council Tax Base for 2011/2012 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 2011/2012 is 47,980.46 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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### COUNCIL TAX BASE 2011/2012

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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 2011 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 2011/2012.

#### 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 14,700 taxpayers entitled to a 25% discount, 420 taxpayers entitled to a 50% discount and 473 taxpayers entitled to a 10% discount.
- b) There are 2,079 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 191 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 31 March 2012 shows that approximately 0.68% of the tax base is attributable to new properties. Given the current economic climate a cautious approach has been taken in estimating the number of new properties.
- 4.2 The Coalition Government has recently issued a Consultation paper entitled 'New Homes Bonus'. The aim of the New Homes Bonus is to 'create a powerful, simple, transparent and permanent incentive which rewards local authorities that deliver sustainable housing development'.
- 4.2.1 The consultation seeks views on the implementation of the new Scheme. It is proposed that the Head of Strategic Planning and the Head of Revenues draft a Portfolio Holder Decision notice to respond to the consultation. Responses are required by 24 December.
- 4.2.2 The Coalition Government's preferred method of calculating the Bonus is based on the information supplied annually to CLG on the Council Tax Base form used for formulae grant purposes. This information is based on the actual number of properties at a specified date and is not the estimate used in this report for calculating the Council Tax base for the purpose of setting the Council Tax. The calculation will also use CLG official statistics on gross additional affordable housing supply.
- 4.3 In addition it has been assumed that 30% of new properties will receive a 25% discount and 4% an empty & unfurnished exemption.

#### 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 its 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 2011 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 Appendix A shows the total of the relevant amounts (total Band D equivalent) is 48,315.84. The estimate of the collection rate is 98.6% 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 98.6% is taken into account.

The tax base is therefore 48,315.84 x 0.986	=	47,639.44
<u>Add</u> Band D equivalent of MOD properties	=	<u>341.02</u>
<b>TOTAL TAX BASE</b>	<b>=</b>	<b>47,980.46</b>

For information the 2010/2011 tax base was 47,692.11

## 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 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 7.1 Calculation of the tax base supports all tenets of the Council's contribution to the Sustainable Community Strategy and delivery of the Corporate Business Plan.

#### 8 RESOURCE IMPLICATIONS:

- 8.1 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.

#### 9 RISK MANAGEMENT ISSUES

- 9.1 The tax base will be influenced by various factors that cannot be quantified or assessed fully at this stage; some external and outside of the control of the Council. Consideration has been given to these factors when preparing the tax base and a cautious approach has been taken with estimates.

BACKGROUND DOCUMENTS:

Detailed working papers held in the Revenues Division.

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

## APPENDIX A

Description	Band A disabled relief	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
Dwellings		2,132.00	6,282.00	11,457.00	8,887.00	8,164.00	6,202.00	5,076.00	637.00	<b>48,837.00</b>
Additions		7.90	7.94	65.48	73.58	77.21	62.60			<b>294.71</b>
Reductions		2.00		1.00	1.00	1.00		2.00		<b>7.00</b>
Exemptions		317.00	293.00	676.00	317.00	177.00	100.00	158.00	41.00	<b>2,079.00</b>
Exemptions (on additions)		0.32	0.32	2.62	2.94	3.09	2.50	0.00	0.00	<b>11.79</b>
Disabled relief	3	9.00	10.00	13.00	2.00	7.00	-19.00	-12.00	-13.00	<b>0.00</b>
<b>Chargeable dwellings</b>	<b>3.00</b>	<b>1,829.58</b>	<b>6,006.62</b>	<b>10,855.86</b>	<b>8,641.64</b>	<b>8,067.12</b>	<b>6,143.10</b>	<b>4,904.00</b>	<b>583.00</b>	<b>47,033.92</b>
<b>Discounts</b>										
25%	2	998.00	3,495.00	3,857.00	2,723.00	1,825.00	1,086.00	655.00	59.00	<b>14,700.00</b>
25% (on additions)		2.37	2.38	19.64	22.07	23.16	18.78	0.00	0.00	<b>88.41</b>
50%		73.00	43.00	76.00	69.00	52.00	45.00	44.00	18.00	<b>420.00</b>
10%		58.00	47.00	90.00	94.00	74.00	43.00	47.00	20.00	<b>473.00</b>
<b>Total Discounts</b>	<b>0.50</b>	<b>292.39</b>	<b>900.55</b>	<b>1,016.16</b>	<b>730.17</b>	<b>495.44</b>	<b>303.00</b>	<b>190.45</b>	<b>25.75</b>	<b>3,954.40</b>
<b>Net Dwellings</b>	<b>2.50</b>	<b>1,537.19</b>	<b>5,106.08</b>	<b>9,839.70</b>	<b>7,911.47</b>	<b>7,571.68</b>	<b>5,840.10</b>	<b>4,713.55</b>	<b>557.25</b>	<b>43,079.52</b>
Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
<b>Band D Equivalents</b>	<b>1.39</b>	<b>1,024.79</b>	<b>3,971.39</b>	<b>8,746.40</b>	<b>7,911.47</b>	<b>9,254.28</b>	<b>8,435.70</b>	<b>7,855.92</b>	<b>1,114.50</b>	<b>48,315.84</b>

**Total band D equivalent 48,315.84**

## APPENDIX B

Estimate of the 2011/2012 Collection RateThe Local Authorities (Calculation of Council Tax Base) Regulations 1992

<b>Collection rate calculation - 2011/2012</b>	<b>Total Aggregate Amount</b>	<b>Aggregate of Amounts likely to be paid</b>
Estimated Gross Debit	68,384,484	1.5% allowances for losses on collection
LESS estimated Council Tax Benefits	5,473,427	
	<b>62,911,057</b>	<hr/> <b>61,967,391</b>
PLUS transfers to the Collection Fund: estimated Council Tax Benefits	5,473,427	5,473,427
	<hr/> <b>68,384,484</b>	<hr/> <b>67,440,818</b>
LESS estimated transfers from the Collection Fund	0	0
	<hr/> <b>68,384,484</b> <hr/>	<hr/> <b>67,440,818</b> <hr/>
	£67,440,818	expressed as a proportion of £68,384,484
<b>The Collection Rate for 2011/2012 is therefore</b>	<b>98.6%</b>	

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</u> <u>D</u> <u>EQUIVALENT</u>	<u>= TAX BASE</u>
Badger Farm	983.86		983.86
Beauworth	57.13		57.13
Bighton	169.29		169.29
Bishops Sutton	218.91		218.91
Bishops Waltham	2,720.88		2,720.88
Boarhunt	246.66		246.66
Bramdean & Hinton Ampner	216.25		216.25
Cheriton	308.12		308.12
Chilcomb	56.87		56.87
Colden Common	1,587.56		1,587.56
Compton and Shawford	831.30		831.30
Corhampton and Meonstoke	389.93		389.93
Crawley	220.79		220.79
Curdrige	633.74		633.74
Denmead	2,783.52		2,783.52
Droxford	332.24		332.24
Durley	472.94		472.94
Exton	128.48		128.48
Hambledon	510.03		510.03
Headbourne Worthy	230.84		230.84
Hursley	422.19		422.19
Itchen Stoke and Ovington	125.77		125.77
Itchen Valley	726.27		726.27
Kilmeston	133.00		133.00
Kings Worthy	1,827.02		1,827.02
Littleton and Harestock	1,449.23	70.90	1,520.13
Micheldever	625.07		625.07
New Alresford	2,314.40		2,314.40
Northington	125.65		125.65
Old Alresford	261.51		261.51
Olivers Battery	755.24		755.24
Otterbourne	694.54		694.54
Owslebury	380.22		380.22
Shedfield	1,639.01		1,639.01
Soberton	824.80		824.80
South Wonston	987.76	191.12	1,178.88
Southwick and Widley	203.36	79.00	282.36
Sparsholt	304.30		304.30
Swanmore	1,306.63		1,306.63
Tichborne	85.95		85.95
Twyford	722.91		722.91
Upham	321.27		321.27
Warnford	110.88		110.88
West Meon	380.34		380.34
Whiteley	1,287.34		1,287.34
Wickham	1,770.41		1,770.41
Winchester Town	14,157.94		14,157.94
Wonston	597.09		597.09
<b>Totals</b>	<b>47,639.44</b>	<b>341.02</b>	<b>47,980.46</b>