

CABINET

14 December 2005

COUNCIL TAX BASE 2006/2007

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 2006/2007 by 31st January 2006. 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 2006/2007.

RECOMMENDATIONS:

That Cabinet recommend to Council:-

- 1 That the calculations contained in this report for the Council Tax Base for 2006/2007 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 2006/2007 is 46,207.85 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 2005 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 2006/2007.

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 13,647 taxpayers entitled to a 25% discount, 407 taxpayers entitled to a 50% discount and 473 taxpayers entitled to a 10% discount.

b) There are 1,815 properties exempt from Council Tax, of which 428 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 147 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 2007, shows that approximately 0.67% 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 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 2006 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 46,529.30. 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 46,529.30 x 0.986	=	45,877.90
<u>Add</u> Band D equivalent of MOD properties	=	<u>329.95</u>
TOTAL TAX BASE	=	46,207.85

For information the 2005/2006 tax base was 45,677.95

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 as well as the core value *is financially prudent*.

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		1,896.00	5,735.00	10,753.00	8,448.00	7,921.00	6,072.00	5,007.00	621.00	46,453.00
Additions				14.72	75.86	80.66	71.93	10.25		253.42
Reductions		4.00	5.00	1.00	3.00	4.00	2.00	2.00		21.00
Exemptions		235.00	252.00	570.00	295.00	183.00	74.00	162.00	44.00	1,815.00
Disabled relief	3	10.00	4.00	8.00	1.00	3.00	-7.00	-10.00	-12.00	0.00
Chargeable dwellings	3	1,667.00	5,482.00	10,204.72	8,226.86	7,817.66	6,060.93	4,843.25	565.00	44,870.42
Discounts										
25%	1	939.00	3,147.00	3,628.00	2,503.00	1,743.00	1,041.00	593.00	52.00	13,647.00
50%		54.00	51.00	81.00	70.00	53.00	41.00	37.00	20.00	407.00
10%		51.00	38.00	82.00	99.00	86.00	46.00	54.00	17.00	473.00
Total Discounts	0.25	266.85	816.05	955.70	670.65	470.85	285.35	172.15	24.70	3,662.55
Net Dwellings	2.75	1,400.15	4,665.95	9,249.02	7,556.21	7,346.81	5,775.58	4,671.10	540.30	41,207.87
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	933.43	3,629.07	8,221.35	7,556.21	8,979.43	8,342.50	7,785.17	1,080.60	46,529.30

Total band D equivalent 46,529.30

APPENDIX B

Estimate of the 2006/2007 Collection RateThe Local Authorities (Calculation of Council Tax Base) Regulations 1992

Collection rate calculation - 2006/2007	Total Aggregate Amount	Aggregate of Amounts likely to be paid
Estimated Gross Debit	55,904,280	1.5% allowances for losses on collection
LESS estimated Council Tax Benefits	<u>3,708,505</u>	<u>51,412,838</u>
	52,195,775	
PLUS transfers to the Collection Fund: estimated Council Tax Benefits	<u>3,708,505</u>	<u>3,708,505</u>
	55,904,280	55,121,343
LESS estimated transfers from the Collection Fund	<u>0</u>	<u>0</u>
	55,904,280	55,121,343
£55,121,343 expressed as a proportion of £55,904,280 is	98.60%	
The Collection Rate for 2006/2007 is therefore	98.60%	

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	987.58		987.58
Beauworth	57.44		57.44
Bighton	165.16		165.16
Bishops Sutton	215.42		215.42
Bishops Waltham	2,624.49		2,624.49
Boarhunt	234.61		234.61
Bramdean & Hinton Ampner	214.08		214.08
Cheriton	301.60		301.60
Chilcomb	57.22		57.22
Colden Common	1,524.63		1,524.63
Compton and Shawford	732.35		732.35
Corhampton and Meonstoke	357.00		357.00
Crawley	208.53		208.53
Curdrige	607.22		607.22
Denmead	2,668.47		2,668.47
Droxford	322.27		322.27
Durley	439.41		439.41
Exton	129.64		129.64
Hambledon	487.27		487.27
Headbourne Worthy	230.22		230.22
Hursley	414.70		414.70
Itchen Stoke and Ovington	124.64		124.64
Itchen Valley	703.47		703.47
Kilmeston	126.64		126.64
Kings Worthy	1,703.61		1,703.61
Littleton and Harestock	1,427.75	67.69	1,495.44
Micheldever	582.11		582.11
New Alresford	2,221.47		2,221.47
Northington	124.64		124.64
Old Alresford	265.85		265.85
Olivers Battery	749.65		749.65
Otterbourne	697.00		697.00
Owslebury	379.61		379.61
Shedfield	1,594.70		1,594.70
Soberton	802.90		802.90
South Wonston	981.80		981.80
Southwick and Widley	205.20	78.91	284.11
Sparsholt	305.09	183.35	488.44
Swanmore	1,275.32		1,275.32
Tichborne	83.23		83.23
Twyford	688.18		688.18
Upham	316.68		316.68
Warnford	109.44		109.44
West Meon	378.83		378.83
Wickham	1,613.38		1,613.38
Whiteley	1,246.18		1,246.18
Winchester Town	13,636.86		13,636.86
Wonston	554.36		554.36
Totals	45,877.90	329.95	46,207.85