

CABINET

9 December 2009

COUNCIL TAX BASE 2010/2011

REPORT OF HEAD OF REVENUES

Contact Officer: Terri Horner Tel No: 01962 848 160

RECENT REFERENCES: None.

EXECUTIVE SUMMARY:

The Council is required to approve the Council Tax Base figure for 2010/2011 by 31 January 2010. 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 2010/2011.

RECOMMENDATIONS:

That Cabinet recommend to Council:-

- 1 That the calculations contained in this report for the Council Tax Base for 2010/2011 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 2010/2011 is 47,692.11 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 2010 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 2010/2011.

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 14,549 taxpayers entitled to a 25% discount, 421 taxpayers entitled to a 50% discount and 487 taxpayers entitled to a 10% discount.
- b) There are 1,937 properties exempt from Council Tax, of which 427 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 182 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 2011 shows that approximately 0.64% 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. However, from the information available there is still a large number of new properties in 2010/11 compared to the previous 2 years. Some of this is attributed to the work being undertaken in the West of Waterlooville development.
- 4.2 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 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 2010 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 48,024.39. 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 48,024.39 x 0.986	=	47,352.06
<u>Add</u> Band D equivalent of MOD properties	=	<u>340.05</u>
TOTAL TAX BASE	=	47,692.11

For information the 2009/2010 tax base was 47,282.09

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	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
	disabled relief									
Dwellings		2,095.00	6,192.00	11,281.00	8,850.00	8,137.00	6,156.00	5,043.00	629.00	48,383.00
Additions		7.86	14.70	51.97	49.87	98.34	43.60	5.10		271.44
Reductions		1.00								1.00
Exemptions		296.00	275.00	560.00	381.00	161.00	84.00	143.00	37.00	1,937.00
Exemptions (on additions)		0.31	0.59	2.08	1.99	3.93	1.74	0.20	0.00	10.86
Disabled relief	4	7.00	10.00	10.00	2.00	7.00	-11.00	-16.00	-13.00	0.00
Chargeable dwellings	4.00	1,812.55	5,941.11	10,780.89	8,518.88	8,077.41	6,102.86	4,888.90	579.00	46,705.58
Discounts										
25%	2	981.00	3,436.00	3,834.00	2,719.00	1,795.00	1,063.00	659.00	60.00	14,549.00
25% (on additions)		2.36	4.41	15.59	14.96	29.50	13.08	1.53	0.00	81.43
50%		82.00	47.00	76.00	64.00	49.00	44.00	38.00	21.00	421.00
10%		59.00	47.00	99.00	93.00	74.00	45.00	50.00	20.00	487.00
Total Discounts	0.50	292.74	888.30	1,010.30	724.79	488.03	295.52	189.13	27.50	3,916.81
Net Dwellings	3.50	1,519.81	5,052.81	9,770.59	7,794.08	7,589.38	5,807.34	4,699.76	551.50	42,788.77
Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
Band D Equivalents	1.94	1,013.20	3,929.96	8,684.97	7,794.08	9,275.91	8,388.37	7,832.94	1,103.00	48,024.39
				Total band D equivalent						48,024.39

APPENDIX B

Estimate of the 2010/2011 Collection RateThe Local Authorities (Calculation of Council Tax Base) Regulations 1992

Collection rate calculation - 2010/2011	Total Aggregate Amount	Aggregate of Amounts likely to be paid
Estimated Gross Debit	67,693,189	1.5% allowances for losses on collection
LESS estimated Council Tax Benefits	5,535,687	
	62,157,502	<hr/> 61,225,139
PLUS transfers to the Collection Fund: estimated Council Tax Benefits	5,535,687	5,535,687
	<hr/> 67,693,189	<hr/> 66,760,826
LESS estimated transfers from the Collection Fund	0	0
	<hr/> 67,693,189	<hr/> 66,760,826
	£66,760,826	expressed as a proportion of £67,693,189
The Collection Rate for 2010/2011 is therefore	98.6%	

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	982.74		982.74
Beauworth	55.51		55.51
Bighton	166.02		166.02
Bishops Sutton	218.78		218.78
Bishops Waltham	2,718.59		2,718.59
Boarhunt	247.09		247.09
Bramdean & Hinton Ampner	217.95		217.95
Cheriton	300.29		300.29
Chilcomb	56.54		56.54
Colden Common	1,585.19		1,585.19
Compton and Shawford	819.81		819.81
Corhampton and Meonstoke	386.95		386.95
Crawley	221.23		221.23
Curdrige	627.01		627.01
Denmead	2,715.40		2,715.40
Droxford	330.93		330.93
Durley	470.83		470.83
Exton	132.79		132.79
Hambledon	504.49		504.49
Headbourne Worthy	230.64		230.64
Hursley	426.51		426.51
Itchen Stoke and Ovington	125.24		125.24
Itchen Valley	727.08		727.08
Kilmeston	136.53		136.53
Kings Worthy	1,808.64		1,808.64
Littleton and Harestock	1,435.63	70.38	1,506.01
Micheldever	627.01		627.01
New Alresford	2,297.05		2,297.05
Northington	125.74		125.74
Old Alresford	257.89		257.89
Olivers Battery	759.97		759.97
Otterbourne	698.05		698.05
Owslebury	383.02		383.02
Shedfield	1,633.78		1,633.78
Soberton	826.25		826.25
South Wonston	981.26	191.24	1,172.50
Southwick and Widley	202.37	78.43	280.80
Sparsholt	301.36		301.36
Swanmore	1,296.90		1,296.90
Tichborne	86.03		86.03
Twyford	714.64		714.64
Upham	321.42		321.42
Warnford	111.70		111.70
West Meon	379.54		379.54
Wickham	1,765.93		1,765.93
Whiteley	1,255.05		1,255.05
Winchester Town	14,081.66		14,081.66
Wonston	597.03		597.03
Totals	47,352.06	340.05	47,692.11