

Wiltshire Council

Cabinet

14 December 2010

Subject: Council Tax Base 2011-2012

Cabinet Member: Councillor Fleur de Rhé-Philippe - Finance, Performance and Risk

Key Decision: No

Executive Summary

The Council is required to approve its Council Tax Base annually, in accordance with the Local Government Finance Act 1992 and The Local Authorities (Calculation of Council Tax Base) Regulations 1992.

The council tax base has to be notified to major precepting authorities by 31 January 2011. Each Parish and Town council is also notified of the figure for its area.

Proposal

For Cabinet to consider and approve the Council Tax Base 2011-2012

Reason for Proposal

Before the Council Tax can be set by the Council in February 2011 a calculation has to be made and approved of the Council Tax Base, which is an annual requirement as laid out in the Local Government Act.

MICHEAL HUDSON
Interim Chief Financial Officer

Wiltshire Council

Cabinet

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Subject: Council Tax Base 2011-2012

Cabinet Member: Councillor Fleur de Rhé-Philippe - Finance, Performance and Risk

Key Decision: No

Purpose of Report

1. To ensure that the Council Tax Base for 2011-2012 is approved by Cabinet.

Background

2. The Council has to approve its Council Tax Base annually and notify any precepting authorities e.g. police authority before 31 January 2011. Parish and Town councils will also be notified of the tax base for their area.
3. The starting point for the calculation is the list of properties and their tax band as at 13 September 2010 which has been supplied to the council by the external Valuation Officer.
4. The list is broken down into Town and Parish order and then adjusted to allow for the following information, for each band, which it holds on 4 October 2010:
 - Properties which will be entirely exempt so no tax is payable e.g. those occupied entirely by students.
 - Properties which will attract a 25% reduction e.g. those with a single adult occupier.
 - Properties which will attract a 50% reduction e.g. those where all of the adult residents qualify for a reduction.
 - Properties which will be treated as being in a lower band because they have been adapted for a severely disabled person. The regulations have been amended to take account of the reduction available to those in band A properties.
 - Properties which will be on the valuation list but which attract discounts or disablement relief or are exempt, for only part of the year.

5. This results in an estimate of the number of full year equivalents within each band.
6. Each band is then converted into "band D equivalents" by applying the factor laid down by the government. For example, a band A property is multiplied by 6 and divided by 9 to arrive at the "band D equivalent" figure, whilst a band H property is multiplied by 2. All these are then added together to give a total of "band D equivalents".
7. The total is then adjusted in respect of class O exempt dwellings (MOD properties). This figure provides a tax base that is submitted to central government and is used for formula grant purposes.
8. Further additions are made for estimates of new property completions in 2011-12 and the remaining part of 2010-11.
9. The council is then required to decide what its collection rate is likely to be and multiply its relevant tax base by this percentage to give its council tax base. In 2010-2011 the council harmonised its collection rate at 99.50%, for 2011-2012 the Head of Revenues and Benefits has reduced this to 99.25% to take into account the current economic conditions.
10. To calculate the Council Tax for the Council the tax base is divided into the Council's budget requirement. This will be finalised during January and February, culminating in the council tax being set by Council on 22 February 2011. This date is subject to the council being notified of the major precepting requirements.
11. An estimate of the surplus or deficit on the Council Tax Collection Fund has to be made, by law, on or before 15 January 2011. Council Tax surplus or deficits will be credited or charged to Wiltshire Council, Wiltshire Police Authority and Wiltshire Fire Authority in proportion to their precepts, and will be taken into account in setting the 2011-12 Revenue Budget and Council Tax levels.
12. The Council Tax Base for the whole of Wiltshire broken down for each Town and Parish is set out in Appendix 1.
13. The tax base for Wiltshire for 2011-2012 is 179,297.66 band D equivalent properties.

Main Considerations for the Council

14. The calculation of the Council Tax Base for the year 2011-2012 has to be approved.
15. The Interim Chief Finance Officer is given delegated authority to determine the estimated Collection Fund balance as at 31 March 2011 by 15 January 2011.

Environmental Impact of the Proposal

16. None

Equalities Impact of the Proposal

17. None

Risk Assessment

18. There is a low risk that the Council has overestimated the number of Band D properties as controls are in place to ensure large variations are investigated and assumptions around new builds are prudent.
19. There is a low risk that the actual collection rate of Council Tax due is lower than the anticipated level because of the current economic conditions. This risk has been assessed and as per paragraph 9 has been reflected in the assumptions.
20. In either situation, this could lead to a deficit on the Collection Fund which would result in additional funds having to be added in the following financial year.

Financial Implications

21. The financial implications are outlined in the report.
22. The Council Tax Base is used to calculate the level of Council Tax for the financial year 2011-2012.

Legal Implications

23. The legal implications are outlined in the executive summary of the report.

Options Considered

24. Assumptions assessed were as follows:
 - Determination of number of Band D properties (equivalent).
 - Estimation of new property completions.
 - Variation in discounts payable and property exemptions.
 - Assumption on the level of MOD contribution based on occupancy.
 - Consideration on effect of varying levels of collection rate.

Conclusions

25. Having taken all of the above into account, the Council Tax Base for 2011/2012 be approved and set as 179,297.66 Band D equivalent properties.

Michael Hudson
Interim Chief Finance Officer

Report Author: Andy Brown

Date of report: 26 November 2010

Background Papers

The following unpublished documents have been relied on in the preparation of this report:

None

Appendices

Appendix 1 – Council Tax Base for Wiltshire Council 2011-2012