

KENNET DISTRICT COUNCIL

FULL COUNCIL MEETING

to be held on 18th December 2007

Report by Andrew Hart, Head of Financial Services

COUNCIL TAX BASE 2008/2009

1. INTRODUCTION

The report appraises Members of the requirement placed on the Council to calculate its Council Tax Base in accordance with The Local Government Finance Act 1992, Sections 33 and 34 and The Local Authorities (Calculation of Council Tax Base) Regulations 1992, SI 1992 No. 612 and The Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 2003, SI 2003 No. 3012.

Regulation 8 of the 1992 Regulations require this calculation to be made between the 1 December and 31 January in the financial year preceding that for which the calculation is made.

2. FINANCIAL, STAFFING, LEGAL & RISK IMPLICATIONS

There are no staffing, legal or financial implications arising directly from this report. The risk implications are not significant, but members should be aware that the council tax base is an estimate used for the purpose of collecting the council tax. If the actual tax base during the year is different from the estimate (which inevitably it will be) then either a surplus or deficit on council tax collection will result. This surplus or deficit is shared proportionally between the major preceptors. (KDC, WCC, Police & Fire).

2. CALCULATION OF BAND D EQUIVALENTS

The council tax base has to be expressed as "Band D Equivalents". However, this is not simply a matter of finding out the number of properties in each band and expressing this as a Band D equivalent. The properties in the Council Tax database have to be related back to the Council Tax payers' records in order to determine the personal circumstances, (and category) of occupants. This information is then used to estimate the effect of partial or full exemption from the Council Tax in order to arrive at a truer estimated picture of the Band D equivalents. The calculation is set out in summary form at Appendix A to this report.

The result of the calculation at Appendix A is a Band D equivalent of 31,215.4, and that forms the Council's tax base before calculation of any further variations that may be necessary.

The result as at Appendix A has to be the starting position because it relates to the most up-to-date position on the Council Tax records, and there is therefore no more accurate alternative on which to base the calculation.

3. OTHER ADJUSTMENTS

From the starting position set out in Appendix A there are a number of other variables which need to be considered before finally determining the Council Tax Base:

(a) Losses on collection, i.e. a sensible estimate of non-payment by local tax payers.

(b) Estimated property completions and deletions in 2008/2009 and the remaining part of 2007/2008.

(c) Possible variations in the number of discounts payable, property exemptions, or changes to the number of MOD occupied property etc.

(d) Estimated reductions in property bandings as a result of successful appeals against bandings to the District Valuer.

A provision of 0.5% has been made in respect of items (a) and (d) which is considered adequate to cover all losses on collection.

4. INDIVIDUAL PARISH TAX BASES

Attached at Appendix B is a calculation for each parish area together with a summary showing that the council tax base (Item T) for Kennet is estimated at **31,546.0** and the total of the tax bases for individual areas (TP) is 31,556.3

5. COLLECTION FUND BALANCES

The Council is required, on 15th January 2008, not before or after, to estimate the balance on the Collection Fund as at 31st March 2008, differentiating between that part of the Fund which relates to Council Tax and that which relates to any residual Community Charge.

If it is estimated that the Fund will be in surplus or deficit, then that surplus or deficit has to be taken into account in setting 2008/2009 Council Tax levels.

6. RECOMMENDATIONS

In respect of the Council Tax Base, it is **RECOMMENDED THAT:**

(1) The calculation of the Council's tax base for the year 2008/2009 be approved and set as **31,546.0**

(2) The Head of Financial Services is given delegated authority to determine the Council's estimated Collection Fund balance as at 31st March, 2008, on 15th January, 2008.

The outcome of the calculation of the estimated fund balance will be reported to the Joint Executive Committee meeting to be held at the end of January 2008, as part of the overall budget setting report for 2008/2009