

REPORT TO THE EXECUTIVE

Report No. 8

Date of Meeting	16 th November 2006
Title of Report	Calculation of Tax Base
Portfolio	Carol O’Gorman - Budget
Link to Corporate Priorities	Buoyant Economy
Key Decision	Yes
Executive Workplan Ref	A15
Public Report	Yes

Summary of Report

To submit to Executive the recommended Council Tax Base for 2007/08 and to recommend the necessary statutory resolution on General Fund Expenses.

Officer Recommendations

In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by North Wiltshire District Council as its Council Tax Base for the year 2007/08 shall be as set out in Appendix 1.

The amounts calculated as the Council Tax Bases of the various parish areas for 2007/08 shall be as set out in Appendix 1.

For the purposes of Section 35 (1) of the Local Government Finance Act 1992, with the exception of special items (Parish Council Precepts), all expenses falling on the Council’s General Fund be declared general expenses chargeable on the District as a whole.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
Yes	None	None	None	None

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1. Introduction

- 1.1 The Council Tax Regulations require the full Council to determine the Council Tax Base for the forthcoming year. The determination must be made between 1st December and 31st January in the preceding financial year.

2. Options

- 2.1 The council tax base is a statutory requirement.

3. Background Information

- 3.1 The Tax Base calculation is set out in **Appendix 1**, attached. **Appendix 2** provides a comparison with the previous year figures for the total number of properties, the number of 25% single occupier discounts awarded, the number of 50% unoccupied discounts awarded and the number of Band D Equivalent properties within each Council Tax Band.

- 3.2 The calculations shown in **Appendix 1** to this report includes the individual calculation for each parish. The tax base for North Wiltshire for 2007/08 is **49,922** Band D equivalents. This was **48,933** in 2006/07, an increase of **989 (2.02%)**. However, if discount on second and long term empty homes is reduced it will increase the Tax Base to the figures shown in **Appendix 1**.

3.4 The calculations have been made as follows:

- 3.4.1 The third column shows the number of Band D equivalent properties held on the Council's computer system and agreed with the Valuation Office Agency's Valuation List at 18th September 2006. This figure takes into account properties that are exempt or entitled to a discount. At present this council awards 50% discount to second and long term empty homes. This can be reduced to 10% and 0% respectively, which would contribute to an increase in the Tax Base (**see Appendix 1**). The current number of properties receiving a 50% discount shown in **Appendix 2** is 1156.
- 3.4.2 The fourth column shows the Band D equivalent properties owned by the Ministry of Defence (MOD) for which a payment in lieu of Council Tax is received. This has reduced to 1238.3 from 1264.3, a difference of 26. There has been no change to the number of MOD properties in the district, but the number of unoccupied properties has increased particularly in Lyneham. However, according to the Defence Housing Executive based in Warminster, who will take over responsibility for the site in December, this is not likely to change drastically during 2007/08.
- 3.4.3 The fifth column is an estimate of the likely increase to the tax base for new properties that will be built and banded during the year. **Appendix 2** shows that there has been 1152 properties added to the Valuation List since last year, amounting to 871.2 Band D equivalents. This only rose by 521 and 114.5 respectively in the previous financial year. It is therefore estimated that this particularly high level of development will not be completely maintained during 2007/08 and an increase of 480.9 Band D equivalents has been used. This has been calculated from information of planning commencements received, which are regularly inspected to ensure they are brought into the Valuation List at the earliest opportunity. To overestimate the tax base could lead to there being a deficit in the collection fund (**see 6.1 below**).

- 3.4.4 The sixth column totals the previous three columns.
- 3.4.5 The seventh column allows for the likely collection rate and shows the 2007/08 Tax Base for Council Tax setting purposes. A collection rate of 98.5 % has been used this year, thus making an allowance for bad and doubtful debts. This has been increased from the 98% used for the last two years, due to the current improvements that are being shown this year, following the difficulties encountered in the previous year from introducing the new revenues SX3 software system.
- 3.4.6 The eighth column shows the 2006/07 Tax Base for comparison.
- 3.4.7 The ninth column shows the number of additional Band D equivalent properties should discount for second homes be reduced to 10%.
- 3.4.8 The tenth column shows the increased 2007/08 Tax Base as a result of this change.
- 3.4.9 The eleventh column shows the number of additional Band D equivalent properties should discount for long term empty homes be reduced to 10%.
- 3.4.10 The twelfth column shows the increased 2007/08 Tax Base as a result of this change.

4. General Fund Expenses

- 4.1 Sections 34 and 35 of the Local Government Finance Act 1992 requires the identification of Special Items, of which, the precepts by the Town and Parish Councils is such a Special Item. When framing the Council Tax Resolution in February, a recommendation on Special Items is required so that the Parish precept can be levied by the District.

5. Financial Implications

- 5.1 The Council Tax base is used to calculate the level of next year's Council Tax, as follows:

Table: Calculation of Council Tax Base 2007-08

Total of Band D Equivalentents at November 2006	48,964.1	CTB return
MOD Band D Equivalentents	1,238.3	CTB return
Increase in Band D's Nov 2006 to March 2008	<u>480.9</u>	
	50,683.3	
Less provision for non-collection	<u>761.2-</u>	1.5%
Total Band Equivalentent properties	<u>49,922.1</u>	(48,933 2006-07)

- 5.2.1 There are no increased costs as a result of this report. The effect of the reduction in the rate of non-collection, from 2% to 1.5%, is an increase in the number of Band Ds for 2007-08 of just under 253.

6. Risk Analysis

- 6.1 There is a low risk that the Council has overestimated the number of Band D properties in the District or that they will collect less than 98.5% of the council tax due. Either situation could lead to a deficit in the Collection Fund, resulting in additional funds being added in the following year.

Appendices:	<ul style="list-style-type: none"> • Appendix 1 - Council Tax Base 2007/08 • Appendix 2 - Comparison between 2005/06 and 2006/07
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • Information obtained from Revenues SX3 System

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
<ul style="list-style-type: none"> • None 		