

# **METROPOLITAN BOROUGH OF WIRRAL**

## **CABINET**

**5 DECEMBER 2002**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **CALCULATION OF COUNCIL TAX BASE - 2003/2004**

##### **1. EXECUTIVE SUMMARY**

- 1.1. This report details the method used to calculate the tax base for the 2003/04 Council Tax and recommends a figure for tax setting purposes. This is a key decision which first appeared in the Forward Plan in September

##### **2. INTRODUCTION**

- 2.1. The Tax Base is used to calculate the individual amounts of Council Tax that need to be raised to cover expenditure. Within the Council Tax are amounts for the Precepting Authorities (Police and Fire). These Authorities are formally advised as to the Tax Base so that they can calculate their own requirements.
- 2.2. The legislation requiring this calculation is the Local Authorities (Calculation of Council Tax Base) Regulations 1992. This requires the Authority to declare by means of Council resolution the Tax Base it will use to calculate the tax level. This resolution must be made by Council no later than 31 January in the year preceding the Tax.
- 2.3. The Calculations below show the numbers of dwellings in each band. The number of likely discounts, reliefs and exemptions to be awarded is then taken into account. These figures are used with the proportions for each band to arrive at an equivalent number of Band D properties. This equated figure is adjusted for the collection rate and is the Council Tax Base.
- 2.4. The figures used are an estimate based on the valuation list of 16 October 2002. There will be amendments that need to be undertaken and these continue to take place throughout the year. Thus, as with any estimate, the most recent available information has been used to adjust figures to likely actual levels.

### 3. THE CALCULATION OF THE TAX BASE

3.1. The Valuation List contains 142,257 properties. Within each band there is an assessment made of how many reductions, reliefs and exemptions apply. These reduce the number of dwellings proportionately. 25% discounts for single dwellings, 50% discount for no residency, 100% exemptions and one band reductions for disabled relief all contribute to this reduction. This figure is then converted to a Band D equivalent by using the ratio of each band charge.

3.2.

Band	VALUE	No. of Properties	No. of Discounted Dwellings	Band Ratio	Band D Equivalent
A	Up to £40,000	57,751	47,834.00	6/9	31,889.3
B	£40 - £52,000	29,734	26,381.75	7/9	20,519.1
C	£52 - £68,000	26,825	24,407.00	8/9	21,695.1
D	£68 - £88,000	12,667	11,687.80	1	11,687.8
E	£88 - £120,000	7,732	7,201.50	11/9	8,801.8
F	£120 - £160,000	4,241	3,972.00	13/9	5,737.3
G	£160 - £320,000	3,062	2,851.50	15/9	4,752.5
H	Over £320,000	245	207.50	18/9	415.5
		142,257			105,497.9.
	Add contributions for Government Dwellings				4.6
	Add Band A Disabled Relief Band D equivalent				43.1
	<b>Total</b>				<b>105,545.6</b>

3.3. The total Band D equivalent is then adjusted by the Authority's estimate of its collection rate for 2003/2004 to give the Council Tax Base. Having taken into consideration previous experience and current collection rates, it has been decided to increase the projected collection rate of 97.25% to 97.75%. The collection rate is the rate that best reflects our collection over more than just the current year and will therefore take longer than 12 months to achieve.

3.4. The calculation for 2003/2004 is  $105,545.6 \times 97.75\% = 103,171$

3.5. For information the tax base in previous years was as follows:-

1995/96 :	100,322	1996/97:	100,855	1997/98:	101,133
1998/99 :	101,524	1999/00:	101,931	2000/01:	102,217
2001/02 :	102,753	2002/03:	102,726		

**4. SETTING OF THE TAX**

4.1. The level of Council Tax is set at each Budget Council. The Budget Council for 2003/2004 is scheduled for Monday 24 February 2003.

**5. FINANCIAL IMPLICATIONS**

5.1. The approval of the tax base allows the Authority to continue with its tax collection.

**6. STAFFING IMPLICATIONS**

6.1. There are none arising from this report.

**7. COMMUNITY SAFETY IMPLICATIONS**

7.1. There are none arising from this report.

**8. HUMAN RIGHTS IMPLICATIONS**

8.1. There are none arising from this report.

**9. EQUAL OPPORTUNITY IMPLICATIONS**

9.1. There are none arising from this report.

**10. LOCAL AGENDA 21 IMPLICATIONS**

10.1. There are none arising from this report.

**11. PLANNING IMPLICATIONS**

11.1. There are none arising from this report.

**12. LOCAL MEMBER SUPPORT IMPLICATIONS**

12.1. The report has no specific implications for any Member or Ward.

**13. BACKGROUND PAPERS**

13.1. Local Government Finance Act 1992  
Local Authorities (Calculation of Tax Base) Regulations 1992  
AMA Policy Finance Circular 109/92

**14. RECOMMENDATIONS**

- 14.1. That the Council Tax Base for 2003/2004 be approved.
- 14.2. That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the figure calculated by this Authority as its tax base for the year 2003/204 shall be 103,171.

IAN COLEMAN  
DIRECTOR OF FINANCE.

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