

WIRRAL COUNCIL

CABINET - 27 NOVEMBER 2008

REPORT OF THE DIRECTOR OF FINANCE

CALCULATION OF COUNCIL TAX BASE

1. EXECUTIVE SUMMARY

- 1.1. This report details the method used to calculate the Tax Base for the 2009/2010 Council Tax and recommends a figure for tax setting purposes.

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, Fire and Rescue). These Authorities are formally advised as to the Tax Base to allow them to 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. Council must make this resolution 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 September 2008. There will be amendments that need to be undertaken and these continue to take place throughout the year.

3. THE CALCULATION OF THE TAX BASE

- 3.1. The Valuation List contains 145,132 properties (144,430 in 2007). 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% for 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.

	VALUE	No. of Properties	No. of Discounted Dwellings	Band Ratio	Band D Equivalent
A	Up to £40,000	58,623	47,364.75	6/9	31,567.50
B	£40 - £52,000	30,745	26,776.00	7/9	20,825.8
C	£52 - £68,000	27,055	24,27.25	8/9	21,574.4
D	£68 - £88,000	13,007	11,810.00	1	11,810.0
E	£88 - £120,000	8,040	7,382.50	11/9	9,023.1
F	£120 - £160,000	4,290	3,972.75	13/9	5,738.4
G	£160 - £320,000	3,108	2,888.50	15/9	4,814.2
H	Over £320,000	264	221.50	18/9	443.0
		145,132			105,805.4
	Add contributions for Government Dwellings				4.0
	Add Band A Disabled Relief Band D equivalent				54.0
	Total				105,863.4

3.3. The total Band D equivalent is then adjusted by the estimate of the collection rate for 2009/2010 to give the Council Tax Base. Having taken into consideration previous experience and current collection rates, I recommend no change in the projected collection rate of 98.5%. The collection rate is the rate that best reflects collection over more than just the current year and will therefore take longer than 12 months to achieve. I can confirm that all previous years collections have ultimately met or exceeded the agreed projections and I am satisfied that this will be achieved for this year also.

3.4. The calculation for 2009/2010 is $105,863.4 \times 98.5\% = 104,276$.

For information the Tax Base in previous years was as follows:-

2003/04 :	103,171	2004/05:	103,701	2005/06:	104,582
2006/07	104,781	2007/08:	104,256	2008/09:	104,009

4. SETTING OF THE TAX

4.1. The level of Council Tax is set at each Budget Council. The Budget Council for 2009/2010 is scheduled for 2 March 2009.

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

That Council be recommended that:

- (1) the Council Tax Base for 2009/10 be approved; and
- (2) 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 2008/2009 shall be 104,276.

IAN COLEMAN
DIRECTOR OF FINANCE