

**WIRRAL COUNCIL
CABINET
8 DECEMBER 2011**

SUBJECT:	COUNCIL TAX BASE
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR STEPHEN FOULKES
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

1.1 This report details the method used to calculate the Council Tax Base for 2012/2013 and recommends a figure.

2.0 RECOMMENDATION

2.1 That Cabinet approve the figure of 106,058 as being the Council Tax Base for 2012/13 and recommend it to Council.

3.0 REASONS FOR RECOMMENDATION

3.1 The Council 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 and Rescue). These authorities are formally advised as to the Tax Base to allow them to calculate their own requirements.

3.2 The calculation shows 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.

3.3 The figures used are an estimate based on the Valuation List of 5 October 2011. There will be amendments that need to be undertaken and these continue to take place throughout the year.

4.0 BACKGROUND AND KEY ISSUES

4.1 The Valuation List contains 145,929 properties (145,717 in 2010). 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, 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.

4.2 The calculation is as follows;

BAND	VALUE	No. of Properties	No. of Discounted Dwellings	Band Ratio	Band D Equivalent
A	Up to £40,000	58,777	48,750.00	6/9	32,500.0
B	£40 - £52,000	31,207	27,456.75	7/9	21,355.3
C	£52 - £68,000	27,225	24,538.75	8/9	21,812.2
D	£68 - £88,000	13,039	11,905.25	1	11,905.3
E	£88 - £120,000	8,043	7,416.00	11/9	9,064.0
F	£120 - £160,000	4,276	3,979.50	13/9	5,748.2
G	£160 - £320,000	3,093	2,863.50	15/9	4,772.5
H	Over £320,000	269	230.50	18/9	461.0
		145,929			107,618.5
	Add Band A Disabled Relief Band D equivalent				54.2
	Total				107,672.7

4.3 The total Band D equivalent is then adjusted by the estimate of the collection rate for 2012/13 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 the financial year to achieve. I can confirm that all previous year collections have ultimately met or exceeded my projections. I am satisfied that this rate should be achieved for 2012-13.

4.4 The calculation for 2012/2013 is $107,672.7 \times 98.5\% = 106,058$.

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

2006/07: 104,781	2007/08: 104,256	2008/09: 104,009
2009/10: 104,276	2010/11: 104,690	2011/12: 104,879

4.5. The Taxbase calculation has been assisted by significant additional work undertaken to combat Single Person Discount Fraud which has seen the number of discounts awarded fall. Wirral was part of the National Fraud Initiative and undertook additional work including issuing surveys and property visits prior to the cancellation of Single Person Discounts.

4.6. This activity is reflected in the calculation submitted annually, in October to the Government. The number of Discounts in October 2008 was **56,968**, October 2009 **55,009**, October 2010 **54,826** and October 2011 **55,217**. The October 2011 figure shows an increase and a significant part of that increase may well be taxpayers mitigating the removal of the 50% discount for Long Term Empty properties by claiming a single person occupation which is eligible for a 25% discount. The number of Long Term Empty Properties has reduced by 400 to 2,600 since 1 April 2011. Checks are being undertaken on these cases to ensure all discounts claimed are eligible for award.

4.7. The reduction in discounts for the four year period is even more noteworthy as the property base for the same period has increased by 2,227 from 143,702 in October 2007 to 145,929 in October 2011 and it would be anticipated Single Person discounts should have increased by 850 for the same period.

4.8. The large increase in the Council Tax Base for 2012/13, compared to 2011/12 is due to the removal of the 50% discount on Long Term Empty properties as agreed by Cabinet on 9 December 2010 which affects the calculation of discounted dwellings.

4.9 The level of Council Tax is set at each Budget Council. The Budget Council for 2012/2013 is scheduled for 1 March 2012.

5.0 RELEVANT RISKS

5.1 If the Council Tax base figure is not declared by 31 January 2012 the Council and Precepting Authorities will be unable to make considered budgetary decisions that could delay the Council Tax bills for 2012/13.

6.0 OTHER OPTIONS CONSIDERED

6.1 None.

7.0 CONSULTATION

7.1 None required to calculate this figure.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 None.

9.0 RESOURCE IMPLICATIONS, FINANCIAL; IT; STAFFING AND ASSETS

9.1 The Council Tax Base is used to calculate Council Tax levels for 2012/13. Failure to comply with timescales could delay Council Tax bills with the potential to affect collection and cash-flow.

10.0 LEGAL IMPLICATIONS

10.1 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.

11.0 EQUALITIES IMPLICATIONS

11.1 There are none arising from this report.

11.2 An Equality Impact Assessment is not required.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are none arising from this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are none arising from this report.

FNCE/264/11

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APPENDICES None

REFERENCE MATERIAL

Department for Communities and Local Government;
CTB1 form and accompanying documentation.

Valuation Office Agency; Valuation List.

SUBJECT HISTORY THE LAST 3 YEARS

Council Meeting	Date
Cabinet	9 December 2010
Cabinet	9 December 2009
Cabinet	10 December 2008