

Report of: Joint report of the Financial and Asset Management and Revenues and Benefits Business Managers

To: Executive Board and Council

Date: Monday 16th January 2006 **Item No:**

Title of Report : Setting of the Council Tax Base 2006-07



Summary and Recommendations

Purpose of report: To set the "Council Tax Base" for 2006/07 (as required by section 33 of The Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 1992.

Key decision: No

Portfolio Holder: Cllr. Alex Hollingsworth

Scrutiny Responsibility: Finance

Ward(s) affected: All

Report Approved by: Mike Baish/Penny Gardner
Paul Warters
Mark Luntley
Jeremy Thomas


Policy Framework: None

Recommendation(s): The Executive Board is asked to recommend to Council the following;

- a) that the 2006/7 Council Tax Base for the City Council's area as a whole be set at 45,348 (calculation shown in appendix 1)
- b) that the projected level of collection be set at 97%
- c) that the following tax bases for each of the parishes, and for the Unparished area (calculations shown in appendix 2) be set at;



Unparished Area of the City	36,828
Littlemore Parish	2,408
Old Marston Parish	1,277
Risinghurst & Sandhills Parish	1,194
Blackbird Leys Parish	3,641
<u>City Council Total</u>	45,348

1. **Dwellings:** This is the number of dwellings in each valuation band as at 30 November 2005.
 2. **Exemptions and Discounts:** Not all dwellings are liable for the full Council Tax. Some categories are exempt. Other dwellings can attract a discount, either at 10%, 25% or 50% dependant on the number of adults who are considered resident. In setting the Tax Base for 2006/07 the Authority needs to take into account all the exemptions and discounts applicable as at November 30th 2005.
-  **Disability reductions:** Where there is a disabled occupant and adaptations have been undertaken for their benefit, the dwelling is treated as being in the band below the one in which it was actually valued.
4. **Discretion:** The Council has discretion in the following areas when calculating the Council Tax Base:
 - a) Adjustment for changes in the number of properties being built or demolished; Changes in the number of properties subject to a discount; exemption or disabled relief. The 2006/07 Council Tax Base calculation has included an estimate of an additional 223 new dwellings being completed during the period Dec 1st 2005 – March 31st 2006, with an additional 737 becoming liable for Council Tax during 2006/07. These figures are based on the average for the last two years, and details from current planning permissions. A 50% reduction has been applied to the 2006/07 additional dwellings to reflect that some will have discounts or exemptions, and some will not be in the Valuation List for the entire period.
 - b) The Council needs to make an allowance for non-collection of Council Tax. The Chief Financial Officer has recommended that this allowance be set at three percent, giving a projected collection rate of 97%.
 5. **Calculation method:** The method used is prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (SI 1992/612), as amended by Statutory Instrument 2003/3012 (see paragraph 6 below). This has been followed for the calculation of the Tax Base for the whole Authority (Appendix 1) and for each of the parishes (Appendix 2). The basic steps are as follows:
 - Number of dwellings in each of the valuation bands
 - Deduct exempt and demolished dwellings
 - Adjust for disabled reductions

- Adjust for discounts (10%, 25% and 50%)
- Convert to band D equivalents
- Add contributions in lieu (MOD properties)
- Allow for projected collection rate.

6. **The Local Authorities (Calculation of Council Tax Base)**

(Amendment) (England) Regulations 2003: The procedure for setting the tax base for 2006/07 (and 2005-06) has reverted to the process used for the years up to and including 2003/04. For 2004/05 the above legislation put back the 'relevant day' from November 30th to December 20th. This was to enable authorities to take account of discounts under the new section 11A of the Local Government Finance Act 1992. At the meeting on 19th January 2004, Executive Board decided that for 2004/05, and for subsequent financial years

- a. the discount applied for second homes be reduced to 10%
- b. the discount for long term empty homes be reduced to nil

These decisions have been incorporated into the calculation process for 2006/07.

7. **Reasons for increase in Council Tax Base:** The calculated figure of 45,348 represents a 3.07% increase on the 2005/06 tax base. The number of dwellings continues to rise, growing by 897 over the year to November 30th 2005. A similar growth is predicted over the coming 12 months and has been taken into account in the calculation. In addition on-going work on reviewing accounts with exempt and discount status has continued. This helps to ensure that the set tax base is not understated and is as accurate as possible.

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Background papers: Statistical report ct6140 produced from the Academy Council Tax system dated Dec 10th 2005, Statement of dwellings issued by Valuation Office Agency dated Nov 28th 2005.

