

Report of: Heads of Financial and Asset Management

To: Executive Board and Council

Date: Monday 7th Jan 2008 (Council - Mon 21st Jan 2008)

Item No: 13

Title of Report : Setting of the Council Tax Base 2008-09



Summary and Recommendations



Purpose of report: To set the "Council Tax Base" for 2008/09 (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. Jim Campbell

Scrutiny Responsibility: Finance



Ward(s) affected: All

Report Approved by: Sarah Fogden/Penny Gardner
Paul Warters
Jeremy Thomas



Policy Framework: None




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

- that the 2008/9 Council Tax Base for the City Council's area as a whole be set at 46,180 (calculation shown in appendix 1)
- that the projected level of collection be set at 98%
- 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	37,563
Littlemore Parish	2,442
Old Marston Parish	1,305
Risinghurst & Sandhills Parish	1,200
Blackbird Leys Parish	3,670
<u>City Council Total</u>	46,180

1. **Dwellings:** This is the number of dwellings in each valuation band as at 30 November 2007.
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 2008/09 the Authority needs to take into account all the exemptions and discounts applicable as at November 30th 2007.
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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 2008/09 Council Tax Base calculation has included an estimate of an additional 450 new dwellings being completed during the period Dec 1st 2007 – March 31st 2008, with an additional 877 becoming liable for Council Tax during 2008/09. These figures are based on current approved planning permissions. A 50% reduction has been applied to the 2008/09 additional dwellings to reflect that some will have discounts or exemptions, and most will not be in the Valuation List for the entire period.
 - b) An adjustment has also been made for an estimated increase in the number of exempt dwellings (see also para 7 below). These numbers have risen steadily due to the expansion of Oxford Brookes University.
 - c) 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 two percent, giving a projected collection rate of 98%.
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 2008/09 (and years 2005-06 through to 2007-08) 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 2008/09.

7. **Reasons for increase in Council Tax Base:** The calculated figure of 46,180 for 2008/09 shows no change on the 2007/08 tax base. Although our overall dwellings total has continued to grow, a considerable proportion of the 'new builds' are used for student accommodation and are thus ultimately exempt from Council Tax. In addition during 2007/08 we received notification of a large number of successful appeals (325 up to 30/09/07). These have arisen essentially as a result of a television documentary. Dwellings for example have moved from Band G to F, from Band E to D etc. The net effect is to have a permanent reduction on our tax base.
8. **Parish Review:** It is probable that orders will be received from the Department of Communities and Local Government confirming the changes recommended by Full Council on March 7th 2005 and that these will take effect from April 1st 2008. These will result in changes to the tax bases for the Littlemore and Risinghurst & Sandhills Parishes, and also that of the Unparished area. It will then become necessary for a replacement report to be considered. The overall tax base for the City will not change.

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

- a) that the 2008/9 Council Tax Base for the City Council's area as a whole be set at 46,180 (calculation shown in appendix 1)
- b) that the projected level of collection be set at 98%
- 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	37,522
Littlemore Parish	2,480
Old Marston Parish	1,305
Risinghurst & Sandhills Parish	1,200
Blackbird Leys Parish	3,673
<u>City Council Total</u>	46,180

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Background papers: Statistical report ct6140 produced from the Academy Council Tax system dated Dec 4th 2007. Statement of Numbers and Bands of dwellings issued by Valuation Office Agency dated Nov 26th 2007.



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