

To: City Executive Board and Council

Date: 7th January 2009 and 19th January 2009 **Item No:**

Report of: Heads of Finance

Title of Report: Setting of the Council Tax Base 2009-10

Summary and Recommendations

Purpose of report: To set the "Council Tax Base" for 2009/10 (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

Executive lead member: Cllr. Ed Turner

Report Approved by:

Finance:

Legal: Jeremy Thomas

Policy Framework: No

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

- a) that the 2009/10 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	37,835
Littlemore Parish	1,877
Old Marston Parish	1,298
Risinghurst & Sandhills Parish	1,500
Blackbird Leys Parish	3,670

City Council Total **46,180**

1. **Dwellings:** This is the number of dwellings in each valuation band as at 30 November 2008 (Appendix 3).
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 2009/10 the Authority needs to take into account all the exemptions and discounts applicable as at November 30th 2008.
3. **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;**
Changes in the number of properties subject to a discount; exemption or disabled relief.
The 2009/10 Council Tax Base calculation has included an estimate of our overall net dwellings total increasing by 257 between the period Dec 1st 2008 – March 31st 2009, and an additional 517 during 2009/10. These include some new dwellings and also conversions – where a former house becomes two or more flats. These figures are based on specific listings from the Council Tax section of works due to be completed before March 31st 2009. Information received from the Council's planners indicates an expected 18% reduction in the total number of completions in 2009/10 compared with 2008/09. The 517 has been calculated by applying a 25% reduction to actual Council Tax data on growth numbers for the period April 1st – Nov 30th 2008. A cautious approach has been adopted due to the current economic conditions. A 50% reduction has been applied to the 2009/10 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%. This was reduced from 3% with effect from 2007/08 due to the Authority's improved collection performance. We now collect the tax quicker (eventually collecting over 99% of the debit) and also have a more vigorous approach in collecting arrears. In addition write-off procedures have been reviewed. Taking into account the total

Council Tax income received during 2007/08 and actual write-offs made, the 2% allowance for that period has proved accurate.

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 dwellings
 - Adjust for disabled reductions
 - Adjust for discounts (10%, 25% and 50%)
 - Convert to band D equivalents
 - 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 2009/10 (and years 2005-06 through to 2008-09) 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 2009/10.

7. **Reasons for no growth in Council Tax Base:** The calculated figure of **46,180** for the overall tax base for 2009/10 is the same as for 2008/09. Although our overall dwellings total will continue to grow, a considerable proportion of the 'new builds' will be used for student accommodation and will thus be exempt from Council Tax. Over 2007/08 our total of dwellings grew by 0.97% but exempt dwellings increased by 4%. Due to the current economic climate, a 'cautious' approach to the expected number of new dwellings in 2009/10 has been adopted. During 2008/09 we have again received notification of successful appeals (150 to Nov 30th) where the banding of a dwelling has been reduced. A substantial number of these have been backdated by the Valuation Office Agency to April 1993 – the date of implementation of the Council Tax. 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. There is no guarantee that we will not receive notification of more of these between now and March 31st 2010.

8. Recommendations

The City Executive Board is asked to recommend to Council the following:

- a) that the 2009/10 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		37,835
Littlemore Parish	1,877	
Old Marston Parish	1,298	
Risinghurst & Sandhills Parish		1,500
Blackbird Leys Parish	3,670	
<u>City Council Total</u>	<u>46,180</u>	

Name and contact details of author:

Adrian Wood
Finance Information Officer
01865 252619
Email: awood@oxford.gov.uk

Background papers: Statistical report ct6140 produced from the Academy Council Tax system dated Nov 30th 2008.

Version number:

Two



**Statement of Numbers and Bands
of all Properties shown in the
1993 Valuation List for the
Billing Authority Area
of Oxford
BA Code 3110
As at 30-NOV-2008**

Band	Numbers
A	2234
B	8704
C	18281
D	15330
E	6540
F	2749
G	3131
H	563
Grand Total of All Properties In Valuation List	57532