

BOROUGH OF POOLE

CABINET

27 JANUARY 2004

COUNCIL TAX - DETERMINATION OF TAX BASE

PART OF PUBLISHED FORWARD PLAN: YES

STATUS – STRATEGIC POLICY

1. PURPOSE AND POLICY CONTEXT

- 1.1. The purpose of this report is to show the calculations required in order to determine the tax base for the Borough of Poole for 2004/2005.
- 1.2. A formal decision must be made in order that the tax base can be notified to the Dorset Police Authority and to The Fire Authority by 31 January 2004, in the financial year preceding that to which the tax base applies.
- 1.3. The information shown in paragraph 2.1(b) will be used to set the Council Tax to be levied in 2004/2005 . Council Tax will be set by Council at its meeting on 10 February 2004.

2. DECISION REQUIRED

- 2.1. The Cabinet be asked to approve :
 - (a) The report of the Head of Financial Services for the calculation of the Borough's tax base for the year 2004/2005;
 - (b) That pursuant to the Head of Financial Services' report, and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 as amended, the amount calculated as the Council Tax Base for the Borough of Poole for the year 2004/2005 shall be 55,300:

3. DETERMINATION OF TAX BASE

3.1. The Relevant Amounts

The actual calculations of the relevant amounts required for each band, as described in Appendix B are set out in Appendix C. In summary, the totals of these are:

<u>Band</u>	<u>Relevant Amount</u>
A	2,115
B	7,198
C	17,223
D	10,390
E	8,474

F	4,928
G	4,283
H	<u>1,248</u>
Total of Relevant Amounts	55,859

- 3.2. The Local Authorities (calculation of Council Tax Base) Regulations 1992 as amended prescribe how the calculations should be made. In essence, calculations under the 1992 Regulations have to be made of the 'relevant amount' for 2004/2005 for each of the valuation bands shown in the Council's valuation list as notified to it as at 20 December 2003.

The tax base is the number of properties which will pay the equivalent of a full band D charge. The proportion of all properties in relation to Band D is shown in Appendix A.

The formula for the calculation of the tax base is:

- (a) the total of the relevant amounts for each valuation band for the year,

MULTIPLIED BY

- (b) the estimated collection rate

The various components of this calculation are described at Appendix B.

The most recent amendment to the regulations of 1992, The Local Authorities (calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI2003/3012), came into effect on 19th December and introduces the ability of billing authorities to increase the tax base by determining to reduce or remove the discount under new section 11A. Any such reductions result in an increase to the Authority's tax base and are required to be included within the calculations for financial years beginning on or after 1 April 2004.

- 3.3. Estimated Collection Rates:

"Collection rate" is the billing authority's estimate of the total amounts in respect of its Council Taxes for the year which will be ultimately paid.

- (a) Collection figures being achieved would normally suggest an appropriate collection rate for the Borough of 99.5%;
- (b) Though current performance on the collection of Council Tax is very good, in 2004/2005 there are two factors that Members should consider in setting a collection rate:
- i) the current high profile of Council Tax at a national level
 - ii) the introduction of the reduced discounts on second homes, and the assumptions made

Taking into account these factors it is recommended that an allowance of 1% be made for losses on the Taxbase now presented. The collection rate for 2004/2005 will therefore be 99%.

3.4. Tax Base:

- (a) The Council Tax Base for the Borough of Poole is therefore recommended to be $55,859 \times 99.0\% = 55,300$.

BOB JACKSON

HEAD OF FINANCIAL SERVICES

BACKGROUND PAPERS

Nil

Name and Telephone Number of Officer Contact

Mandy May, 01202-633178

14 January 2004 CabinetCouncilTaxDeterminofTaxBase27012004

BOROUGH OF POOLE**BAND PROPORTIONS**

<u>BAND</u>	<u>VALUES (£000)</u>	<u>PROPORTION</u>	<u>RELATIONSHIP TO BAND D</u>
A	Up to 40	6	6/9
B	40-52	7	7/9
C	52-68	8	8/9
D	68-88	9	9/9
E	88-120	11	11/9
F	120-160	13	13/9
G	160-320	15	15/9
H	320 +	18	18/9

ie: band A properties pay 6/9 of band D properties.
band H properties pay twice the amount payable by band D properties.

BOROUGH OF POOLE

1. The relevant amount for each council tax band is a measure of the number of dwellings in that band after taking account of exempt dwellings and discounts.
2. The resultant figures are then multiplied by the proportion (See Appendix A) which that band bears to band D.
3. The legislation is prescriptive in how the relevant amount for each band should be calculated. A brief summary of this is described below.
 - a) the number of chargeable dwellings in 20 December 2003 valuation list less the authority's estimate of the number of such dwellings which were exempt on that day.

ADJUSTED FOR

- b) the estimated number of disabled person's relief reductions moving to the next lower band below during 2004/2005, as amended by The Local Authorities (Calculation of Tax Base) (Amendment) (England) Regulation 1999.

LESS

- c) the reduction required to take account of discounts to which the amount of council tax payable was subject on the relevant day using the relevant percentages . (This means the reductions that would have been made to the number of dwellings if the authority had not invoked its ability to reduce discounts from 50%)

PLUS

- d) the estimated additions to the list between 21 December 2003 and 31 March 2005

LESS

- b) d)(J)the authority's estimate of the effective number of properties which will not be chargeable for part of the year.

PLUS

- c) (J)the increase in number of properties in the band arising from the reduction in discounts given.

EQUALS CHARGEABLE DWELLINGS

2. The estimated collection rate must be calculated as follows:
 - i) estimate of council tax amounts likely to be received, net of any benefit and disabled person's relief

PLUS
 - ii) estimate of amounts likely to be granted for benefits, and

EXPRESSED AS A PROPORTION OF
 - iii) estimate of council tax levied, net of benefit and disabled person's relief

PLUS
 - iv) estimate of total benefits and relief granted in relation to iii) above.

		Band A entitled to disabled relief reduction COLUMN 1	Band A COLUMN 2	Band B Column 3	Band C COLUMN 4	Band D COLUMN 5	Band E COLUMN 6	Band F COLUMN 7	Band G COLUMN 7	Band H COLUMN 9	TOTAL COLUMN 10
1	Total Number of dwellings on the Valuation List 20 th December 2003		3,973	10,871	21,796	11,293	7,547	3,719	2,826	685	62,710
2	Number of dwellings on valuation list exemption (Class A to W exemptions)		199	393	624	246	157	92	97	26	1,834
3	Number of demolished dwellings and dwellings outside area of authority		0	1	3	0	0	6	0	0	10
4	Number of chargeable dwellings (treating demolished dwellings etc as exempt) (lines 1-2-3)		3,774	10,477	21,169	11,047	7,390	3,621	2,729	659	60,866
5	Number of chargeable dwellings in line 4 subject to disabled reduction		6	51	155	79	58	33	33	24	439
6	Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	6	51	155	79	58	33	33	24	0	439
7	Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, simply line 6)	6	3,819	10,581	21,093	11,026	7,365	3,621	2,720	635	60,866
8	Number of dwellings in line 7 entitled to a 25% discount	3	2,623	5,326	6,748	2,964	1,663	743	484	72	20,626
9	Number of dwellings in line 7 entitled to a 50% discount (analysed 9a to 9c)		106	243	402	334	349	271	382	122	2,209
9a	50% discount entitlement continuing	0	0	6	3	6	0	6	16	1	38
9b	50% discount non-continuing long term empties	0	40	79	104	53	35	28	30	12	381
9c	50% discount non-continuing second homes	0	66	158	295	275	314	237	336	109	1,790
10	Number of dwellings in line 7 assumed to be entitled to no discounts (lines 7-8-9)	3	1,090	5,012	13,943	7,728	5,353	2,607	1,854	441	38,031
11	Total equivalent number of dwellings after discounts, exemptions and disabled relief (line 8x0.75) + (line 9x0.5) + line 10]	5	3,110	9,128	19,205	10,118	6,775	3,300	2,408	556	54,605
12	Ratio to band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
13	Number of band D equivalents (line 11xline 12)	3	2,074	7,100	17,071	10,118	8,280	4,766	4,013	1,112	54,537
14	Number of band D equivalents Ministry of Defence Properties in 2002/03					130					130
15	Estimated net number of additions		10	24	10	11	24	9	26	39	153
15a	Long term empty discount reduction		10	25	37	21	17	16	20	10	156
15b	Second Homes discount reduction		18	49	105	110	153	137	224	87	883
16	Total of Relevant amounts	3	2,112	7,198	17,223	10,390	8,474	4,928	4,283	1,248	55,859
17	Assumed collection rate of 99.0%										55,300