

CABINET – 21ST JANUARY 2010

Report of the Director of Programmes and Resources

ITEM 10 COUNCIL TAX BASE 2010/11 & SPECIAL EXPENSES

Purpose for the report

Under the provisions of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (hereinafter referred to as “the regulations”) a billing authority is required to calculate its Council Tax Base in accordance with the regulations. It is also necessary to pass a resolution on the matter of Special Expenses.

Recommendations

1. that Council be recommended to approve the amounts shown in the table as its Council Tax Base for the year 2010/11 in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992.
2. that Council be recommended to resolve the expenses incurred by the Council in performing in Loughborough a function performed elsewhere in its area by a parish council or the chairman of a parish meeting are treated as special expenses for the purposes of Section 35 of the Local Government Finance Act 1992.

Reasons

- 1 . To set the Council’s 2010/11 Council Tax Base.
- 2 . To determine Special Expenses in Loughborough.

Background

The regulations require a billing authority to produce a Council Tax Base for its area by first of all converting the total of all properties in the valuation list into terms of Band D and also taking into account the number of discounts and exemptions allowable. The resultant figure is then multiplied by the estimated collection rate for the forthcoming year to produce the Council Tax Base.

Every residential property falls within one of 8 Council Tax Bands, A to H, as determined by the Valuation Office. The Council Tax charge for each band is calculated as a proportion in ninths of the Band D charge for the relevant parish. For

instance, the charge for a Band A property will be $\frac{6}{9}$ ($\frac{2}{3}$) of the Band D charge, while the Band H charge in the same parish will be $\frac{18}{9}$ (double) the Band D charge. The table below shows the relevant proportions for all bands:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
$\frac{6}{9}$ ($\frac{2}{3}$)	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$ (1)	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$ (2)

Depending on individual circumstances, each property may qualify for Council Tax exemption (100%), discount (25%, 50% or 10%), or disability reduction (the difference between the charge for the allocated band and the band below).

Taking into account the fact that not all properties pay a full charge, we must determine how many 'Band D equivalent' properties there are in the borough in order to calculate how much each property will be charged. This is broken down further into parishes as each parish has their own precept that needs splitting between the charge payers. For each band; the number of properties that receive a 25% reduction is multiplied by 0.75, the number of properties that receive a 50% reduction is multiplied by 0.50, the number of properties that receive a 10% reduction is multiplied by 0.90 and the totals are then added to the number of properties paying the full charge (properties that receive an exemption are excluded). This total is then converted into band D equivalents by dividing by 9 and multiplying as necessary (e.g 6 for a band A). The total for each band is added together to get the total number of Band D equivalents for that parish.

A snapshot of the property bands and reductions for every property in Charnwood is taken in early December of the year preceding the relevant charge year, and each entry is converted, using the above method, to a Band D equivalent. The resulting figure is then multiplied by the estimated collection rate for the forthcoming year to produce the Council Tax Base for the year. From the table below, you will see that the estimated collection rate is 98.5% so, for instance East Goscote has 930.6 Band D equivalent properties which, multiplied by 98.5% gives a Council Tax Base for that parish of 916.6.

The Council Tax Base figures are used to calculate the charge payable for each band of property in order to collect sufficient revenue to meet the requirements of the precepting authority. In the above example, the requirement for East Goscote would be divided by 916.6 in order to calculate the Band D East Goscote parish precept for next year. A Band C property in East Goscote would then be charged $\frac{8}{9}$ of the Band D precept, while a Band F property would be charged $\frac{13}{9}$. Any applicable reduction would also be applied to the account before issuing annual bills.

The following tables show how this has been calculated for the parishes, the special expense area of Loughborough and Charnwood Borough Council as a whole and the products of all these calculations are shown in the recommendations below. The figure for Charnwood Borough Council represents a 1.02% increase on the 2009/10 Council Tax Base of 53391.3.

<u>Parish etc</u>	Band D		
	<u>Equivalent Properties</u>	<u>Collection Rate</u>	<u>Council Tax Base 2010/11</u>
Anstey	2252.7	98.5%	2218.9
Barkby	148.4	98.5%	146.2
Barkby Thorpe	16.5	98.5%	16.3
Barrow-upon-Soar	2149.2	98.5%	2117.0
Beeby	34.6	98.5%	34.1
Birstall	4136.2	98.5%	4074.2
Burton-on-the-Wolds	493.1	98.5%	485.7
Cossington	223.6	98.5%	220.2
Cotes	13.1	98.5%	12.9
East Goscote	930.6	98.5%	916.6
Hathern	739.2	98.5%	728.1
Hoton	148.8	98.5%	146.6
Mountsorrel	2834.1	98.5%	2791.6
Newtown Linford	514.9	98.5%	507.2
Prestwold	33.4	98.5%	32.9
Queniborough	959.0	98.5%	944.6
Quorndon	2227.8	98.5%	2194.4
Ratcliffe-on-the-Wreake	87.5	98.5%	86.2
Rearsby	441.4	98.5%	434.8
Rothley	1716.3	98.5%	1690.6
Seagrave	265.6	98.5%	261.6
Shepshed	4591.7	98.5%	4522.8
Sileby	2532.1	98.5%	2494.1
South Croxton	128.1	98.5%	126.2
Swithland	154.9	98.5%	152.6
Syston	4243.3	98.5%	4179.7
Thrussington	261.5	98.5%	257.6
Thurcaston & Cropston	963.3	98.5%	948.9
Thurmaston	2910.5	98.5%	2866.8
Ulverscroft	62.6	98.5%	61.7
Walton-on-the-Wolds	134.2	98.5%	132.2
Wanlip	84.2	98.5%	82.9
Woodhouse	971.0	98.5%	956.4
Wymeswold	592.7	98.5%	583.8

Loughborough	16759.2	98.5%	16507.8
Charnwood B C	54755.3	98.5%	53934.2

Special Expenses

It is also necessary at this time for the Council to pass a resolution where the expenses incurred by the Council in performing, in part of its area, a function performed elsewhere by a Parish Council or the Chairman of a parish meeting shall be special expenses.

Contact Officer: David Platts (01509) 634850

E-mail: david.platts@charnwood.gov.uk

Contact Officer: Bill Robinson (01509) 634861

E-mail: bill.robinson@charnwood.gov.uk

Background Papers:

Minute 413 P & F Committee 15th November 1983.

Minute 567 P & F Committee 23rd November 1999.

Banding Analysis Report 3rd December 2009.