

**CABINET
15 DECEMBER 2009**

**DIRECTORATE OF RESOURCES
HEAD OF CUSTOMER SERVICES
REPORT NO CS 09/06**

COUNCIL TAX BASE CALCULATION – 2010/11

1. INTRODUCTION

1.1 Setting the level of council tax requires three calculations:

- budget setting by Hampshire County Council, the Police Authority, the Fire Authority and Rushmoor;
- calculation of the tax base of the Borough;
- budget setting of the Collection Fund.

1.2 This report sets out the proposed tax base calculation for the Rushmoor area for 2010/2011

2. PRINCIPLES

2.1 The council tax base for the area is the number of properties in each band adjusted for:

- new properties and demolitions;
- exempt properties;
- anticipated band changes as a result of appeals / errors;
- one-band reductions for disabled adaptations;
- discounts for one adult households;
- discounts for properties with no liable adults;
- discounts for empty properties;
- discounts for second homes.

2.2 The result of this calculation is then multiplied by the factor for that band to give the band D equivalent and finally adjusted for losses on collection.

3. CALCULATION

3.1 The detailed calculation of band D equivalents is shown in the attached Appendix 1.

3.2 Line 1 shows the number of properties in each band as notified by the District Valuer on 14 September 2009.

3.3 Line 2 is an estimate of the full year equivalent of new property completions: it is

made up of a net 145 properties, which takes into account building developments already under way in the Borough and proposed demolitions due to start shortly .

3.4 Line 3 is for properties that have been recently demolished but not yet removed from the the Valuer's list.

3.5 Exempt dwellings are shown on line 4. Most of these are Army properties for which no Council Tax is charged directly to the individual occupant. These are added back in at line 13, which is explained below. Other exemptions include properties that have been repossessed and those currently in the hands of executors.

3.6 The District Valuer has advised that he is currently up to date in administering downbanding appeals and he has no pending appeals that he is aware of. In the past year there have been 80 successful appeals for down banding plus 16 increases in banding. It is prudent to allow for a similar level of activity in the coming year. This results in the following adjustments between bands shown in line 5:

Band F	-2
Band E	-6
Band D	-9
Band C	-15
Band B	+14
Band A	+18

3.7 Band reductions for disabled relief are shown in line 6. This information has been taken directly from the current council tax records.

3.8 Discounts for one (25%) and no (50%) adult households, also based on the current council tax records, are shown in lines 8 and 9. Line 9a represents properties that attract the reduced (10%) discount for second homes.

3.9 The total for each band (line 11) is then multiplied by the following factors to give band D equivalents (line 12):

Below A	5/9
A	6/9
B	7/9
C	8/9
D	1
E	11/9
F	13/9
G	15/9
H	18/9.

3.10 The Army pays a contribution in lieu of council tax. This is calculated by agreement on the number of properties but then adjusted for occupancy discounts, using the Army's own confidential information.

3.11 Line 13 is therefore the band D equivalent of my estimate of the Army's

contribution in lieu.

- 3.12 This results in a total band D equivalent of 31,888.19 compared with the figure of 31,719.6 returned to the Department for Communities and Local Government for grant purposes. This must then be adjusted for losses on collection.
- 3.12 The provision for losses was set at 1.5% in each of the past 15 financial years, and has proved to be realistic. I propose therefore that 1.5% is used again in the calculation for 2010/2011.
- 3.13 This results in a net tax base of 31,409.87, around 0.7% higher than the current year's tax base of 31,184.03. This reflects similar growth to last year (0.8%) and continues to reflect the general slowdown in new building at present. Tax base growth prior to last year had regularly been nearer to 2% annually.

4. RECOMMENDATIONS

- 4.1 That the report of the Head of Customer Services for the calculation of the Council's tax base for the year 2010/2011 be approved.
- 4.2 That pursuant to the Head of Customer Services' report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 the amount calculated by the Rushmoor Borough Council as its tax base for the year 2010/2011 shall be 31,409.87.

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HEAD OF CUSTOMER SERVICES

Background papers:

The Local Authorities (Calculation of Tax Base) Regulations 1992 (SI612/1992)
DoE Council tax practice note no. 7 - tax setting, precepting & levying

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