

## **Cabinet – 18 January 2012**

### **Council Tax Base 2012/13**

<b>Portfolio:</b>	Councillor Towe – Finance and Personnel
<b>Service:</b>	Finance – council wide
<b>Wards:</b>	All
<b>Key decision:</b>	Yes
<b>Forward plan:</b>	Yes

#### **1. Summary**

This report recommends that the council tax base for 2012/13 be set at 78,898.20 band D equivalents. The authority is legally obliged to set the council tax base by 31 January each year and to notify the precepting authorities (i.e: Police and Fire & Civil Defence Authorities) accordingly.

#### **2. Recommendations**

Cabinet are recommended to set the council tax base for 2012/13 at 78,898.20 band D equivalents.

#### **3. Report detail**

- 3.1 Council tax base figures are calculated by billing authorities and notified to relevant precept authorities and levying bodies between 1 December and 31 January of the financial year preceding the financial year to which it will apply.
- 3.2 Council tax records on 1 December 2011 show 108,187 chargeable dwellings. The equivalent of a further 614 new properties are estimated as due for occupation in 2012/13 and no demolitions predicted. These changes will result in a total of 108,801 properties. Exemptions and personal discounts reduce this to 98,678.12. Most Walsall dwellings are in the lower bands, so the tax base (band D equivalents) is 80,099.70. The council tax base for 2012/13 is therefore set at 78,898.20 band D equivalents (78,707.79 2011/12), based on a collection rate of 98.5%, which provides for 1.5% of non-payment and changes in assessments. Based on the revised council tax base levels, this may result in a small increase in income to the authority if collection rates as set about above are achieved.
- 3.3 **Table 1** shows the number of chargeable dwellings (properties) in each band.

<b>Table 1 – No of chargeable dwellings (per band)</b>									
<b>BAND</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>TOTAL</b>
Properties	48,384	25,094	17,125	9,816	5,328	2,288	712	54	108,801
%age	44.47	23.07	15.74	9.02	4.90	2.10	0.65	0.05	100
Cumulative	44.47	67.54	83.28	92.30	97.20	99.30	99.95	100	

3.4 **Table 2** shows the movement from the number of chargeable dwellings to the number of band D equivalents which is required to set the council tax base.

<b>Table 2 – Movement in chargeable dwellings to council tax base</b>									
<b>BAND</b>	<b>A*</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>TOTAL</b>
Chargeable Dwellings	48,384	25,094	17,125	9,816	5,328	2,288	712	54	108,801
Discounts & exemptions	5,546	2,173	1,319	599	298	115	55	17	10,123
Net dwellings	42,838	22,921	15,806	9,217	5,030	2,173	657	37	98,678
Band D equivalent weightings	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D equivalents	28,550	17,828	14,050	9,217	6,148	3,138	1,094	75	80,099.70

#### **4. Council priorities**

The council tax base is required to calculate the annual council tax. Council tax is a key source of funding to the Council, which impacts on the budget process

#### **5. Risk management**

The actual collection rate reflects the council's success in collecting council tax due. If the actual collection rate is lower than the assumed rate used in these calculations, this could result in a collection fund deficit, requiring an increase in the following year's council tax. Conversely, a higher collection rate performance will increase the surplus and therefore potentially marginally reduce the following year's council tax level.

#### **6. Financial implications**

The council tax base is required to calculate the annual council tax and is used by Government departments in their calculations i.e. in calculating council, tax freeze grant and new homes bonus grant due to the authority.

## 7. Legal implications

The collection fund and council tax base are governed by Statutory Instrument 1992 No.612 (Local Authorities (Calculation of Council Tax Base) Regulations). We are legally obliged to set the council tax base and notify the precepting authorities by 31 January each year.

## 8. Property implications

None directly associated with this report.

## 9. Staffing implications

None directly associated with this report.

## 10. Equality implications

None directly associated with this report.

## 11. Consultation

The report is prepared in consultation with relevant managers and the CFO.

**Background papers:** Various financial working papers.

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10 January 2012