

CANNOCK CHASE COUNCILCOUNCIL5 DECEMBER 2007REPORT OF DIRECTOR OF GOVERNANCEDETERMINATION OF COUNCIL TAX BASE – YEAR COMMENCING 1 APRIL 20081. Purpose of Report

- 1.1 The purpose of this report is to afford members an opportunity to consider and to determine the various tax bases for the Council's area and the several areas within the District subject to Parish Council precepts.

2. Recommendation

- 2.1 That the report and the associated calculation of the Council's tax base for the year commencing 1 April 2008 be approved.
- 2.2 That pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by the Cannock Chase District Council as its tax base for the year commencing 1 April 2008 shall be 29,971.73 equivalent Band D properties, and that for the various parts of the District described below, the amounts so calculated shall be as stated.

Parish	Base
Brereton & Ravenhill	1,974.30
Bridgtown	318.74
Brindley Heath	252.90
Cannock Wood	405.40
Heath Hayes & Wimblebury	4,252.32
Hednesford	5,114.68
Norton Canes	2,300.13
Rugeley	5,571.90
Balance of the Area	9,781.36
Total	29,971.73

3. Background

- 3.1 The Council is required, by virtue of paragraph 7 (3) of the Levying Bodies (General) Regulations 1992, issued in accordance with Section 33 (5) of the Local Government Finance Act, 1992, to determine, between 1 December and 31 January following, the amount to be used as the basis for the calculation of the several amounts of Council Tax to be levied within the District in the financial year commencing on the next 1 April.
- 3.2 This does not mean that the charge has to be set at this time, but that the resource over which the budget requirement is to be spread must be calculated.
- 3.3 This involves adjusting the valuation list figures to take account of reducing the banding of those properties eligible for disability relief, single occupancy and other discounts, exemptions, new and removed properties and any other appropriate adjustments, as detailed on background paper, Annex 1, attached.
- 3.4 The Local Government Act 2003 introduced a number of changes that impact upon the council tax base and the General Fund Revenue Budget. These changes give local authorities the discretion to:
- reduce the existing council tax discount from between 50% to 10% for second homes,
 - remove or reduce the existing discount for unfurnished long term empty homes, and
 - grant additional discounts or exemptions, to be borne locally, in response to local factors, for example flooding.
- 3.5 The implications of discounts for second homes and long term empty properties were considered in detail as part of determining the Council Tax Base for 2004-05 and Council determined that no change would be made to the level of existing discounts. The legislation in terms of discounts for second homes is primarily aimed at local authorities with a large number of second homes and for the 4 estimated second homes in this area the amount of income likely to be achieved is considered immaterial in terms of this Council's tax base. Whereas any benefit to the Council in reducing the discount in long term empty properties is now negated by a compensating reduction in Revenue Support Grant. Discounts in relation to the above are therefore recommended to remain in line with previous year determinations.
- 3.6 The Local Government Act 2003 also introduced a local discount. This direction gives billing authorities the power to reduce the amount of Council Tax payable in respect of any chargeable dwelling in their area. This may be reduced to nil and can be applied either on an individual or class of dwelling basis. This effectively allows the authority the power to introduce local discounts and exemptions for unusual circumstances. For example, to give relief in the event of a natural disaster such as serious flooding in part of a council's area, or to select, a class or group of taxpayers, such as pensioners, disabled etc.
- 3.7 However any such loss in revenue must be met by the billing authority and not passed onto the major precepting authorities and hence does not form part of the Council Tax Base calculation as such but is determined as part of the budget setting process with the billing authorities being required to transfer from its general fund to its collection fund the amount by which the council tax has been reduced by local discounts and exemptions.
- 3.8 In determining the Council Tax Base it is also necessary to determine the appropriate allowance for losses on collection. As previously, it is possible, with extreme optimism, to predict an ultimate collection rate approaching 100 %, but reality indicates that a collection rate of 98.5% ought to be

anticipated in the initial stages. It is therefore recommended that the collection rate estimate of 98.5% be agreed for the year commencing 1 April 2008.

- 3.9 On the assumption that this is acceptable to the Council, the attached schedules show the result of the above deliberations on each of the Parishes, the un-parished area and the District as a whole.
- 3.10 For the year 1993-94, the Council determined that, in respect of Special Expenses, any expenses incurred by the Council in performing, in part of its area, a function performed elsewhere in its area by a parish or community council or the chairman of a parish meeting, would not be treated as special expenses for the purpose of Section 35 of Local Government Finance Act, 1992, and that this resolution would remain in force for the current and successive financial years until expressly rescinded, and, as it is not suggested that this decision be changed, no further action is necessary.

4. Human Rights Act Implications

- 4.1 There are no Human Rights Act implications acting from this report.

5. Financial Implications

- 5.1 It is important that the tax base is estimated as accurately as possible since it will be used to calculate the level of Council Tax determined by Council at its February/March meeting. Any errors will have the following effects:
- a A too optimistic view of the base will mean that insufficient funds are raised to meet outgoings, whilst
 - b A too pessimistic view will mean that the Council Tax charge will be set too high, requiring tax payers to have to contribute more than is necessary.
- 5.2 The facility now exists to remove or reduce the level of discounts as included in the tax base; however the impact of this change is considered immaterial for this authority due to the very small number of second homes and the corresponding adjustment to the Revenue Support Grant settlement for long term empty properties.
- 5.3 The tax base for 2008-09 of 29,971.73 is 1.41% above the equivalent figure for 2007-08 but is higher than the tax base as used in the budget projection of 29,761, reflecting the provision of new properties.

Background Papers

Return CTB1 as at November 2007.
