

# RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

## REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 16

meeting date: 16 NOVEMBER 2010  
 title: CALCULATION OF COUNCIL TAXBASE 2011/12  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: JANE PEARSON

### 1 PURPOSE

- 1.1 To consider the council taxbase for the next financial year i.e. 2011/12.
- 1.2 Relevance to the Council's ambitions and priorities:
  - ❖ The Council has a statutory duty to set its taxbase. The revenue raised from council tax is used to finance the Council's priorities, objectives and ambitions.

### 2 BACKGROUND

- 2.1 The Local Government Finance Act 1992 requires each billing authority to calculate the council taxbase for its area or part of its area, eg parish.
- 2.2 In the past this calculation could not be delegated and had to be approved by the Council. You may recall regulations were changed in 2004 to allow the setting of the taxbase to be delegated.
- 2.3 This report includes my provisional calculation of the taxbase. The final calculation must be made and approved between 1 December and 31 January.
- 2.4 We are in the process of notifying parishes (local precepting authorities) of the estimated taxbase for their area to enable them to set precepts.

### 3 THE CALCULATION

- 3.1 The calculation briefly comprises:
  - a) The number of properties in each valuation band shown on the valuation list.
  - b) Less the number of dwellings that are exempt where, for example, properties are unoccupied and unfurnished for a period of less than six months.
  - c) Adjustments for properties where disabled relief applies.
  - d) Deductions in respect of discounts:

	<b>Discount Allowed</b>
Single Persons	25%
Empty Dwellings Not Exempt	50%
Dwellings Where All Residents Are Disregarded	50%
Dwellings Occupied Wholly by Students	100%

e) Adjustments

- i) Dwellings coming on or moving off the list.
- ii) Changes in the number of discounts.
- iii) Allowance for appeals against the valuation banding.

f) The resultant figure is then multiplied by the appropriate quotient for that band to give the band D equivalent, eg:

$$\text{Band A} \times \frac{6}{9} = \text{Band D Equivalent} \quad \text{Band H} \times \frac{18}{9} = \text{Band D Equivalent}$$

- g) A special reduction applies for disabled persons living in band A properties, they pay 5/9ths of the band D charge.
- h) Finally, an aggregate of each band is then multiplied by the assumed collection rate to give the taxbase for that parish.

This calculation is then repeated for each parish and town. The sum of them all equals the Council's taxbase, which is 22,364. This is shown in Annex 1 together with the taxbase for 2010/11 i.e. the current financial year for comparison purposes.

3.2 You will see this is only a small increase when compared with 2010/11. In the latest budget forecast I had factored in a freeze in taxbase for next year which has proved to be more or less accurate. Obviously if new house building were to take place this number would increase in the future.

3.3 The calculation is provisional and I will need to review the taxbase on 1 December in accordance with the Council Taxbase Regulations and amend it if appropriate.

#### 4 LOCAL GOVERNMENT FINANCE ACT 2003

4.1 You will recall that this Act allows (amongst other things) local authorities to vary the statutory discount given to long-term empty properties and also to second homes.

4.2 In the past members decided that:

- ❖ The discount on second homes be reduced to 10% (from 50%) from 1 April 2005. The funds raised be used to support the work of the Local Strategic Partnership; and
- ❖ No action be taken on the discount (50%) for long-term empty properties (empty more than six months).

4.3 The number of Band D equivalent second homes (after adjusting for the collection rate) in 2010/11 was estimated to be 82. This raised a total sum of £119,600 to be used by the strategic partnership. Next year the estimated number is 86 so this will raise a slightly higher amount for the partnership assuming both the county council, police and fire authorities and ourselves continue to pass this funding to the LSP.

#### 5 ASSUMPTIONS

5.1 In estimating the taxbase there are always a number of areas of uncertainty and the following assumptions have been made:

- a) The number of exemptions will remain constant throughout the year.
- b) The number of discounts will remain constant throughout the year.
- c) The number of properties on the valuation list will remain constant throughout the year.
- d) The collection rate will be 99.25%.

## 6 CONCLUSION

- 6.1 There will be a very small increase in the taxbase for next year.

DIRECTOR OF RESOURCES

PF62-10/JP/AC  
8 NOVEMBER 2010

## BUDGET WORKING GROUP

## COUNCIL TAXBASE

	Band D Equivalent Taxbase			
	Excluding Second Homes 2010/11	Including Second Homes 2010/11	Excluding Second Homes 2011/12	Including Second Homes 2011/12
Clitheroe	5,127	5,141	5,139	5,157
Longridge	2,741	2,746	2,727	2,731
Balderstone	200	200	201	202
Billington & Langho	2,151	2,155	2,150	2,154
Clayton Le Dale	523	524	517	520
Dinckley	39	39	41	41
Mellor	1,008	1,011	1,027	1,029
Osbaldeston	104	105	101	102
Ramsgreave	285	286	281	282
Salesbury	175	175	174	174
Wilpshire	998	999	1,003	1,004
Bashall Eaves	82	83	85	86
Bolton By Bowland	241	243	243	245
Bowland Forest HD	59	59	60	60
Bowland Forest LD	82	83	76	77
Easington	27	27	27	27
Gisburn	208	209	208	209
Gisburn Forest	65	65	65	66
Great Mitton	99	99	95	95
Grindleton	360	364	358	363
Horton	44	44	44	44
Newsholme	20	20	21	21
Newton	140	143	148	150
Paythorne	40	40	41	41
Rimington	203	204	202	203
Sawley	168	169	168	169
Slaidburn	123	125	127	129
Waddington	446	448	453	456
West Bradford	370	370	363	364
Middop	22	22	22	22
Aighton, Bailey & Chaigley	438	440	432	434

	<b>Band D Equivalent Taxbase</b>			
	<b>Excluding Second Homes 2010/11</b>	<b>Including Second Homes 2010/11</b>	<b>Excluding Second Homes 2011/12</b>	<b>Including Second Homes 2011/12</b>
Bowland with Leagram	79	82	76	78
Chatburn	397	400	397	399
Chipping	475	480	477	482
Downham	56	56	55	55
Little Mitton	16	16	15	15
Mearley	8	8	7	7
Pendleton	107	107	104	104
Thornley with Wheatley	155	156	161	162
Twiston	34	34	34	34
Whalley	1,458	1,466	1,463	1,469
Wiswell	453	455	450	452
Worston	43	43	38	38
Dutton	105	105	107	107
Hothersall	73	73	74	74
Ribchester	658	663	653	658
Read	556	557	562	563
Sabden	509	511	507	509
Simonstone	505	507	499	501
<b>Total</b>	<b>22,275</b>	<b>22,357</b>	<b>22,278</b>	<b>22,364</b>