

ITEM

ITEM

Council – 20 December 2007

**DECLARATION OF THE COUNCIL TAX BASE AND INDIVIDUAL TAX BASES  
FOR TOWNS & PARISHES – 2008/2009**

**Report of the Head of Financial Services**

**Statutory Powers:** The Local Government Finance Act 1992  
The Local Government Act 2003  
The Local Authorities (Calculation of Tax Base) (Amendment)  
(England) (No.2) Regulations) 2003. SI 2003/3181

**Financial Implications:** As set out in the report

**Purpose**

The Council is required to set a tax base by 31 January each year for its area under the provisions of the Local Government Finance Act 1992. This report sets out the basis of the approach culminating in the calculation of the Council Tax Base itself.

**RECOMMENDATION**

**That the Council RESOLVES to:**

- (i) **approve the Council Tax Base for the year 2008/2009 as being 37,249.41**
- (ii) **approve the Tax Base calculated for each of the parishes and towns for the year 2008/2009 as per the attached schedule at Appendix C**

**Basis of calculation**

1. In simple terms the tax base is the estimate of the total number of properties (expressed in terms of band D equivalents) over which the spending requirements of the County Council, Police Authority, Fire Authority, District Council and each town and parish council will be spread.
2. Members will be aware that the tax bands arise from the exercise carried out by the Government's District Valuer whereby each domestic property has been placed into a valuation band (A to H). The regulations provide that the tax base should be expressed in terms of band D equivalent properties. The calculation is illustrated in **Appendix A** with further detail provided in **Appendix B**.
3. A table showing how the tax base is split between each town and parish council is provided at **Appendix C**.

4. Council will consider the overall budget and 'net budget requirement' at the meeting on the 7 February 2008. At that stage the level of Council Tax is effectively set for the District Council and all that remains is to formally add in the County, Police Authority, Fire Authority and Town and Parish precepts to arrive at the overall level of tax. Following approval of the Council's overall budget, a meeting has been arranged for the 26 February 2008 at which the Council Tax will be set for each parish and town. Members may recall that the Local Government Finance Act 1992, Section 67(3) permits authorities to delegate this function to a Council Tax Setting Panel.

### **Second homes**

5. The tax base has been calculated taking into account the Council's decision to reduce the discount on second homes. This decision results in an increased tax base that will generate approximately £220,000 for the Council in additional revenue.

### **Risk Assessment**

Opportunity	Issues / Obstacles	Benefits
A review of the tax base gives the opportunity to calculate the Council Tax yield which forms a critical part of the budget process.	Failure to calculate the tax base correctly. Over estimation of the base will result in too little tax being charged to individual taxpayers and a deficit to the collection fund. Under estimation of the base will result in a higher than necessary council tax increase and a surplus in the collection fund.	Calculation of the tax base enables the Council Tax to be set.

### **Conclusion**

6. The setting of the tax base has a significance far beyond the simple mathematics of the calculation and it forms an important component of the calculation of a robust budget and the medium term financial plan for both billing and precepting authorities.

Pauline Henstock  
Principal Accountant

John Foxworthy  
Head of Financial Services

Council  
 20 December 2007

### **Background Documents:**

Please refer to statutory powers