

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 14

meeting date: 22 NOVEMBER 2011  
title: CALCULATION OF COUNCIL TAXBASE 2012/13  
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## 1 PURPOSE

- 1.1 To consider the council taxbase for the next financial year i.e. 2012/13.
- 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, e.g. 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 22,434. This is shown in Annex 1 together with the taxbase for 2011/12 i.e. the current financial year for comparison purposes.

3.2 You will see this is only a small increase when compared with 2011/12. In the most recent budget forecast only a marginal increase in the taxbase, of 0.25%, was allowed 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 taxbase calculation is provisional and will need to be reviewed 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 2011/12 was estimated to be 86. This raised a total sum of £125,470 to be used by the strategic partnership. Next year the estimated number is 82 so this will raise a slightly lower 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.

HEAD OF FINANCIAL SERVICES

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## COUNCIL TAXBASE

	Band D Equivalent Taxbase			
	Excluding Second Homes 2011/12	Including Second Homes 2011/12	Excluding Second Homes 2012/13	Including Second Homes 2012/13
Clitheroe	5,139	5,157	5,140	5,158
Longridge	2,727	2,731	2,751	2,756
Balderstone	201	202	204	205
Billington & Langho	2,150	2,154	2,165	2,167
Clayton Le Dale	517	520	520	523
Dinckley	41	41	41	41
Mellor	1,027	1,029	1,027	1,030
Osbaldeston	101	102	104	105
Ramsgreave	281	282	279	280
Salesbury	174	174	176	176
Wilpshire	1,003	1,004	995	997
Bashall Eaves	85	86	85	86
Bolton By Bowland	243	245	247	249
Bowland Forest HD	60	60	61	61
Bowland Forest LD	76	77	76	77
Easington	27	27	26	26
Gisburn	208	209	206	207
Gisburn Forest	65	66	67	67
Great Mitton	95	95	95	95
Grindleton	358	363	360	364
Horton	44	44	43	43
Newsholme	21	21	20	20
Newton	148	150	143	144
Paythorne	41	41	43	43
Rimington	202	203	201	201
Sawley	168	169	167	168
Slaidburn	127	129	124	126
Waddington	453	456	449	453

	Band D Equivalent Taxbase			
	Excluding Second Homes 2011/12	Including Second Homes 2011/12	Excluding Second Homes 2012/13	Including Second Homes 2012/13
West Bradford	363	364	360	361
Middop	22	22	22	22
Aighton, Bailey & Chaigley	432	434	431	432
Bowland with Leagram	76	78	81	82
Chatburn	397	399	395	398
Chipping	477	482	485	491
Downham	55	55	55	55
Little Mitton	15	15	16	16
Mearley	7	7	7	7
Pendleton	104	104	107	107
Thornley with Wheatley	161	162	159	160
Twiston	34	34	36	36
Whalley	1,463	1,469	1,465	1,471
Wiswell	450	452	463	464
Worston	38	38	43	43
Dutton	107	107	104	104
Hothersall	74	74	71	71
Ribchester	653	658	664	668
Read	562	563	564	565
Sabden	507	509	513	514
Simonstone	499	501	496	499
<b>Total</b>	<b>22,278</b>	<b>22,364</b>	<b>22,352</b>	<b>22,434</b>