



Committee and Date
Council
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Item
11

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SETTING THE COUNCIL TAX TAXBASE FOR 2011/12

Summary

In order to determine the appropriate Council Tax levels for the Unitary Authority, it is necessary for the Council to determine the Council Tax taxbase for the area. The budget requirements of the various precepting authorities are divided by this figure to arrive at the Band D Council Tax.

For 2011/12 the Council Tax taxbase will be 109,369.99, this is an increase of 0.93% over 2010/11.

The Council Tax taxbase has a direct impact on the Council Tax that will be levied by the Council for 2011/12 and the level of Revenue Support Grant (RSG) the Council receives. To assess the full financial implications it is necessary to consider the Council's expenditure for 2011/12 and the grant settlement. These will be addressed in the Budget Strategy for 2011/12.

Recommendations

Members are asked:

- A. To approve, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 as amended, the amount calculated by Shropshire Council as its Council Tax taxbase for the year 2011/12, as detailed in the Appendix to the report, totalling 109,369.99.
- B. To note the inclusion of 464.84 Band D equivalents in the taxbase for continuation of the second homes discount at 10% in accordance with present Council policy.
- C. To note the exclusion of 264.47 Band D equivalents from the taxbase for continuation of the long-term empty properties discount, i.e. awarding the full 50% discount for six months and completely removing the discount after six months, in accordance with present Council policy.
- D. To note the reduction in the Council Tax income raised of £311,952 as a result of continuation of the long-term empty properties discount in accordance with present Council policy.
- E. To approve a collection rate for 2011/12 of 98.50%.

REPORT

Background

1. Shropshire Council has responsibility for determining the Council Tax taxbase for the Council's geographical area.

2. The taxbase for Council Tax must be set between 1st December 2010 and 31st January 2011 in relation to 2011/12 as prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended.
3. The Council is also required to inform the major precepting authorities, West Mercia Police Authority and Shropshire & Wrekin Fire Authority, of the taxbase in order to enable the calculation of Council Tax for the following year. Each town and parish council is also notified of its own Council Tax taxbase.
4. The purpose of this report, therefore, is to determine and approve the Council Tax taxbase for Shropshire Council for 2011/12.

Second Homes and Long-Term Empty Properties Discretionary Discount Policies

5. The Local Government Act 2003 gave councils new discretionary powers to reduce the 50% Council Tax discount previously awarded in respect of second homes with effect from 1st April 2004. Second homes are defined as furnished properties which are not occupied as someone's main residence and include furnished properties that are unoccupied between tenancies. Councils retain the additional income raised by reducing the second homes Council Tax discount.
6. The figures used for the 2011/12 Council Tax taxbase allow for the continuation of the decision previously approved by Council to award a 10% Council Tax discount in respect of second homes. Continuation of this policy results in the inclusion of 464.84 Band D equivalents in the taxbase.
7. The Act also gave councils new discretionary powers to reduce or remove the 50% Council Tax discount previously awarded in respect of long-term empty properties with effect from 1st April 2004. Empty properties, i.e. properties which are unoccupied and unfurnished, are initially exempt from Council Tax for up to six months. A property is classed as long-term empty if it has been empty and unfurnished for more than six months and does not qualify for an exemption.
8. The figures used for the 2011/12 Council Tax taxbase also allow for the continuation of the decision previously approved by the Council in respect of long-term empty properties, i.e. to award the full 50% discount for six months and completely remove the discount after six months. Continuation of this policy results in the exclusion of 264.47 Band D equivalents from the taxbase and a consequential reduction in the Council Tax income raised of £311,952.

Taxbase Calculation

9. Based on the valuation list, the Council Tax taxbase is the number of dwellings in the area falling within each Council Tax property valuation band, modified to take account of the adjustments set out below. Taxbase is expressed as a Band D equivalent.
10. An analysis of Council Tax Bands within Shropshire Council is detailed below:

Property Band	House Value	Ratio to Band D	Analysis of Dwellings on the Valuation List (as at 13 September 2010)	% Increase / (Decrease) Over 2010/11
A	Under £40,000	6/9	19.1	0.5
B	40,001 - 52,000	7/9	25.8	1.1
C	52,001 - 68,000	8/9	20.8	0.9
D	68,001 - 88,000	9/9	14.4	0.3
E	88,001 - 120,000	11/9	10.7	1.1
F	120,001 - 160,000	13/9	5.7	0.9
G	160,001 - 320,000	15/9	3.2	0.4
H	Over 320,000	18/9	0.2	0.0

11. There are 132,863 properties in the valuation list for the Shropshire Council area. This compares with a figure of 131,808 in the list at the same time last year. There has been an increase of 1,055 properties overall, which equates to 0.8%, and, with the exception of Band H, the number of properties in all property bands has increased.
12. The methodology followed for calculating the taxbase is similar to that followed by the five borough and district councils in previous years and by Shropshire Council last year. In general terms this is as follows:
 - Ascertain the number of dwellings in each Council Tax band (A to H) shown in the valuation list as at 13 September 2010.
 - Adjust for estimated changes in the number of dwellings through new build, demolitions and exemptions.
 - The number of discounts and disabled relief allowances which apply as at 4 October 2010.
 - Convert the number of dwellings in each Council Tax band to Band D equivalents by using the ratio of each band to Band D and so arrive at the total number of Band D equivalents for the Council.
 - Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year.

These calculations are undertaken for each property band in each parish

Collection Rate

13. In determining the taxbase, an allowance has to be made to provide for changes to the taxbase during the year (e.g. due to new properties, appeals against banding, additional discounts, etc.) as well as losses on collection arising from non-payment. This is achieved by estimating a Council Tax collection rate for the year and must be common to the whole area.
14. A collection rate of 98.5% was assumed for the 2010/11 financial year and it is recommended that a collection rate of 98.5% should also be assumed for the purpose of determining the Council Tax taxbase in 2011/12.
15. If the actual rate exceeds 98.5% a surplus is generated, which is shared between the Unitary Council, West Mercia Police Authority and Shropshire & Wrekin Fire Authority, pro rata to their demand on the Collection Fund for the relevant year. Conversely, any shortfall in the collection rate results in a deficit, which is shared in a similar manner. The surplus or deficit is taken into account in setting the Council Tax in the following year.

2011/12 Council Tax Taxbase

16. The estimated Council Tax taxbase for the whole of the area will be used by this Council to calculate its Council Tax Levy. It will also be used by West Mercia Police Authority and Shropshire & Wrekin Fire Authority to calculate the levy in respect of their precepts.
17. The Council Tax taxbase for this purpose is 109,369.99 Band D equivalents. The detailed build up to this figure analysed by both parish and town council and Environment Agency region is shown in the Appendix to the report.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Human Rights Act Appraisal None.
Environmental Appraisal None.
Risk Management Appraisal This is a well understood albeit complex process and any potential for error is mitigated to a large extent by adhering to the relevant legislation and through independent checks on the working papers.
Community / Consultations Appraisal None.
Cabinet Member / Implementation Executive Keith Barrow, Leader of the Council.
Local Member N/A.
Appendices 2011/12 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council.

2011/12 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council

Parish / Town Council	Council Tax Taxbase Band D Equivalents
Abdon & Heath	100.73
Acton Burnell, Frodesley, Pitchford, Ruckley & Langley	244.96
Acton Scott	39.11
Adderley	173.31
Alberbury with Cardeston	358.38
Albrighton	1,616.36
All Stretton, Smethcott & Woolstaston	160.03
Alveley & Romsley	855.29
Ashford Bowdler	33.71
Ashford Carbanel	182.53
Astley	191.21
Astley Abbolts	236.16
Aston Bottrell, Burwarton & Cleobury North	125.67
Atcham	183.17
Badger	63.26
Barrow	263.12
Baschurch	937.74
Bayston Hill	1,793.71
Beckbury	156.51
Bedstone & Bucknell	331.18
Berrington	358.81
Bettws-Y-Crwyn	87.15
Bicton	367.46
Billingsley, Deuxhill, Glazeley & Middleton Scriven	153.56
Bishops Castle Town	679.53
Bitterley	345.19
Bomere Heath & District	807.32
Bonningale	140.78
Boraston	75.40
Bridgnorth Town	4,656.03
Bromfield	114.66
Broseley Town	1,545.84
Buildwas	108.19
Burford	465.12
Cardington	185.99
Caynham	531.27
Chelmarsh	227.88
Cheswardine	405.18
Chetton	157.16
Childs Ercall	269.59
Chirbury with Brompton	346.08
Church Preen, Hughley & Kenley	120.43
Church Pulverbatch	158.47
Church Stretton & Little Stretton Town	2,160.63
Claverley	819.01
Clee St. Margaret	69.27
Cleobury Mortimer	1,111.69
Clive	235.75
Clun & Chapel Lawn	514.50
Clunbury	243.39
Clungunford	146.91
Cockshutt-cum-Pelton	300.23
Condover	806.40
Coreley	144.51
Cound	194.70
Craven Arms Town	877.77
Cressage, Harley & Sheinton	411.02
Culmington	173.58
Diddlebury	265.85
Ditton Priors	326.66
Donington & Boscobel	602.35

2011/12 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council

Parish / Town Council	Council Tax Taxbase Band D Equivalents
Eardington	234.82
Easthope, Shipton & Stanton Long	192.44
Eaton-Under-Heywood & Hope Bowdler	188.17
Edgton	45.30
Ellesmere Rural	892.67
Ellesmere Town	1,316.78
Farlow	177.84
Ford	301.15
Great Hanwood	402.76
Great Ness & Little Ness	424.68
Greele	50.53
Grinshill	110.37
Hadnall	293.05
Highley	1,154.89
Hinstock	445.91
Hodnet	589.22
Hope Bagot	33.32
Hopesay	231.37
Hopton Cangeford & Stoke St. Milborough	155.30
Hopton Castle	41.09
Hopton Wafers	289.52
Hordley	102.60
Ightfield & Calverhall	198.01
Kemberton	126.31
Kinlet	393.63
Kinnerley	460.58
Knockin	114.24
Leebotwood & Longnor	188.99
Leighton & Eaton Constantine	214.59
Llanfairwaterdine	95.69
Llanymynech & Pant	627.47
Longden	515.37
Loppington	241.19
Ludford	258.26
Ludlow Town	3,736.63
Lydbury North	223.49
Lydham & More	127.93
Mainstone & Colebatch	86.21
Market Drayton Town	4,044.06
Melverley	51.65
Milson & Neen Sollars	121.96
Minsterley	571.59
Montford	219.55
Moreton Corbett & Lee Brockhurst	126.67
Moreton Saye	201.17
Morville, Acton Round, Aston Eyre, Monkhopton & Upton Cressett	358.52
Much Wenlock Town	1,215.81
Munslow	177.86
Myddle & Broughton	558.51
Myndtown, Norbury, Ratlinghope & Wentnor	249.27
Nash	134.80
Neen Savage	144.93
Neenton	56.72
Newcastle	127.61
Norton-in-Hales	265.96
Onibury	124.22
Oswestry Rural	1,556.39
Oswestry Town	5,518.14
Pontesbury	1,200.04
Prees	1,076.35
Quatt Malvern	86.95

2011/12 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council

Parish / Town Council	Council Tax Taxbase Band D Equivalents
Richards Castle	139.33
Rushbury	276.00
Ruyton-XI-Towns	451.67
Ryton & Grindle	83.15
Selattyn & Gobowen	1,206.52
Shawbury	887.82
Sheriffhales	324.08
Shifnal Town	2,389.75
Shrewsbury Town	23,648.76
Sibdon Carwood	34.69
St. Martins	895.42
Stanton Lacy	161.34
Stanton-Upon-Hine Heath	226.56
Stockton	130.16
Stoke-Upon-Tern	438.79
Stottesdon & Sidbury	314.05
Stowe	48.92
Sutton Maddock	114.22
Sutton-Upon-Tern	399.84
Tasley	354.40
Tong	117.37
Uffington	98.98
Upton Magna	129.04
Welshampton & Lyneal	356.22
Wem Rural	651.93
Wem Town	1,996.16
West Felton	525.35
Westbury	539.62
Weston Rhyn	863.11
Weston-Under-Redcastle	123.19
Wheathill	78.96
Whitchurch Rural	574.67
Whitchurch Town	3,243.97
Whittington	858.55
Whitton	50.65
Whixall	335.65
Wistanstow	331.19
Withington	99.90
Woore	495.78
Worfield & Rudge	921.01
Worthen with Shelve	794.60
Wroxeter & Uppington	158.30
Shropshire Council Total	109,369.99
Environment Agency - Severn Trent Region	102,702.86
Environment Agency - Welsh Region	4,226.99
Environment Agency - North West Region	2,440.14
Shropshire Council Total	109,369.99

