

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Chief Financial Officer
AUTHOR/S: Revenues Manager

2nd December 2011

Setting of Council Tax Base for 2012/13

Purpose

1. To report the calculation of the Council Tax base for 2012/13 and to request the Chief Financial Officer exercise the delegated power to formally set the Council's Council Tax base for 2012/13

Recommendations and Reasons

2. The tax base for the South Cambridgeshire District for 2012/13 should be set at **60,793.0** band D equivalents and the tax base for each parish should be set as shown in Appendix A.

Background

3. The Council is required to set a tax base for each financial year for the District as a whole and for each separate parish within the District. The tax base is expressed as the number of band D equivalent properties and is used to calculate the basic amount of Council Tax.
4. There is a prescribed process for calculating the tax base, but the Council must make estimates of anticipated changes, for example due to the building of new properties, and estimate the proportion of bad debt. The starting point for the calculation is set by statute as the properties contained in the valuation list at 30th November, adjusted for exemptions and discounts recorded on the Council's Council Tax database at that date.
5. The Chief Financial Officer has delegated authority to set the Council Tax base.

Considerations

6. The initial tax base, as recorded on the Council Tax database at 30th November 2011, is 60,191.7 band D equivalents. This is an increase of 1.3% (750.6) compared to the initial tax base at the same time last year of 59,441.1
7. This initial figure allows for contributions in lieu of Council Tax from the Ministry of Defence equivalent to 359.8 band D properties. This estimate has been confirmed with the Ministry and is comparable with the previous year.
8. It is anticipated that a further 369.1 band D equivalent properties will be completed by 31st March 2012 and should therefore be added to the initial tax base. This figure has been estimated by correlating information from the Revenue Service's Property Inspectors, Building Control, Planning and, where possible, from property developers. The estimate includes an allowance for properties being valued in different bands and also for a corresponding growth in discounts. This estimate allows for the anticipated completion of affordable homes across the district and in particular at Orchard Park and Cambourne, without which the estimated growth would be minimal.
9. During the course of the 2012/13 financial year it is anticipated that a further 448 new properties will be completed. In order to allow for the phased construction over the course of the year, a spread across the valuation bands, and discounts an estimate of 177.9 band D equivalents has been added to the tax base calculation.

10. In previous years an allowance of 0.5% has been made for bad debt. The collection rate for Council Tax is being maintained despite the current economic downturn and 0.5% is still considered to be a realistic reflection of longer-term losses on collection.
11. After allowing for these adjustments the calculated tax base for 2012/13 is 60,793.0. This is an increase of 1.3% compared to the 2011/12 tax base of 60,057.2
12. A summary of the calculation is shown below, with the previous years' calculation for comparison:

Summary of Tax Base Calculation for the District <i>(All figures are band D equivalents)</i>			
	2012/13	2011/12	2010/11
Initial tax base at 30th November	60,191.7	59,441.1	58,528.1
Contributions in lieu of Council Tax from MOD properties	<u>359.8</u>	<u>356.9</u>	<u>340.3</u>
	60,551.5	59,798.0	58,868.4
New properties expected to be completed in this financial year	369.1	427.8	372.7
New properties expected to be completed during next financial year	<u>177.9</u>	<u>133.2</u>	<u>191.5</u>
	61,098.50	60,358.97	59,432.6
Bad debt provision at 0.5%	<u>-305.5</u>	<u>- 301.8</u>	<u>- 297.2</u>
Estimated Council Tax base	<u>60,793.0</u>	<u>60,057.2</u>	<u>59,135.5</u>

13. A Council Tax base has also been calculated for each parish within the District as set out in Appendix A.
14. The number of domestic dwellings in the district has now exceeded 62,000 with 62,105 banded for Council Tax at 30th November 2011.

Implications

15. Financial	The tax base for 2012/13 has increased by 1.3% compared to the previous year tax base of 60,057.2. Strenuous efforts have been made to collate intelligence on construction activity to facilitate as accurate an estimate of growth as possible. However, given the current uncertainty about the economy in general, and construction industry in particular, it is difficult to predict the level of future growth with a high degree of precision.
Legal	The Council has a legal obligation to set the Council Tax Base in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992.
Staffing	None
Risk Management	Failure to set the correct Council Tax Base could have an adverse effect on the Council's budget requirements.
Equality and Diversity	We ensure that revenue collection is delivered in a fair and consistent manner to all members of the community.
Equality Impact Assessment completed	Yes. Partial EQIA's have been carried out on our Billing & Collection policy, Benefit Administration and Fraud Prevention Policy without any adverse impact
Climate Change	None

Consultations

16. None

Consultation with Children and Young People

17. None

Effect on Strategic Aims

18. Setting the correct Council Tax Base ensures that the Council can budget effectively in order to provide the right level of services for the needs of the whole community.

Conclusions/Summary

19. The tax base recorded on the Council's Council Tax database at 30th November 2011 was 60,191.7 band D equivalents, taking into account discounts, exemptions, disabled persons' reductions and contributions expected in lieu of Council Tax from the Ministry of Defence.

20. There is predicted to be a further increase of 177.9 band D equivalents in respect of 2012/13, due mainly to new property development.

21. A bad debt allowance of 0.5%, which is consistent with the allowance made in previous years, is considered to be reasonable.

22. The growth in the tax base is predicted to be lower than in previous years due to the slow down in the construction industry, and the slower rate of completion is predicted to continue throughout 2012/13. The most recent update of the Medium Term Financial Strategy received by Cabinet on the 10th November had an assumed 60,820 Band D equivalents for 2012/13. The figure of 60,793 represents a shortfall of just over £3,200 but this is broadly in line with the overall forecast.

Background Papers: the following background papers were used in the preparation of this report:

None

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DECISION OF THE CHIEF FINANCIAL OFFICER

I hereby set the Council Tax base for the South Cambridgeshire District, for the financial year 2012/13 at **60,793.0** band D equivalent properties under the authority delegated to me by the South Cambridgeshire District Council. I also set the Council Tax base for each Parish contained within the South Cambridgeshire District boundary as set out in the attached appendix A.

Signed Dated

Chief Financial Officer

APPENDIX A

Council Tax Base for 2012/13 for Parishes within the South Cambridgeshire District (After 0.5% allowance for losses on collection)

2012/13 Tax			2012/13 Tax Base		
Code	Parish	Base	Code	Parish	2012/13 Tax Base
001	Great Abington	359.6	052	Histon	1,829.1
002	Little Abington	276.7	053	Horningsea	165.9
003	Abington Pigotts	75.9	054	Horseheath	220.0
004	Arrington	181.9	055	Ickleton	341.8
005	Babraham	114.5	056	Impington	1,551.1
006	Balsham	694.3	057	Kingston	114.8
007	Bar Hill	1,492.2	058	Knapwell	46.5
008	Barrington	473.2	059	Landbeach	380.5
009	Bartlow	54.1	060	Linton	1,805.3
010	Barton	401.6	061	Litlington	362.5
011	Bassingbourn	1,262.0	062	Lolworth	70.1
012	Bourn	437.3	063	Longstanton	1,110.4
013	Boxworth	97.6	064	Longstowe	92.9
014	Caldecote	704.5	065	Madingley	106.4
120	Cambourne	3,096.6	066	Melbourn	1,966.1
015	Carlton	97.7	067	Meldreth	753.5
016	Castle Camps	282.7	068	Milton	1,737.1
017	Caxton	238.8	069	Guilden Morden	443.3
018	Childerley	12.1	070	Steeple Morden	511.6
019	Great & Little Chishill	320.1	071	Newton	187.4
021	Comberton	945.2	072	Oakington	608.5
022	Conington	61.5	130	Orchard Park	683.0
023	Coton	384.3	073	Orwell	489.5
024	Cottenham	2,390.4	074	Over	1,135.9
025	Croxton	78.9	075	Pampisford	158.3
026	Croydon	103.6	076	Papworth Everard	1,157.2
027	Dry Drayton	293.7	077	Papworth St. Agnes	35.0
028	Duxford	772.7	078	Rampton	194.7
029	Elsworth	305.9	079	Sawston	2,684.7
030	Eltisley	182.0	080	Great Shelford	1,995.1
031	Great Eversden	110.8	081	Little Shelford	391.2
032	Little Eversden	265.7	082	Shepreth	351.3
033	Fen Ditton	341.2	083	Shingay-Cum-Wendy	57.4
034	Fen Drayton	352.4	084	Shudy Camps	141.7
035	Fowlmere	543.5	085	Stapleford	878.8
036	Foxton	531.6	086	Stow-Cum-Quy	228.3
037	Fulbourn	1,961.7	087	Swavesey	954.9
038	Gamlingay	1,424.9	088	Tadlow	83.1
039	Girton	1,804.8	089	Teversham	1,031.0
040	Little Gransden	132.0	090	Thriplow	492.3
041	Grantchester	272.9	091	Toft	248.1
042	Graveley	97.5	092	Waterbeach	1,728.3
043	Hardwick	958.6	093	Weston Colville	199.7
044	Harlton	144.7	095	West Wickham	189.9

045	Harston	795.5	096	West Wratting	228.9
046	Haslingfield	709.8	097	Whaddon	219.8
047	Hatley	98.5	098	Whittlesford	795.1
048	Hauxton	322.5	099	Great Wilbraham	290.2
049	Heydon	125.3	100	Little Wilbraham	194.8
050	Hildersham	108.2	101	Willingham	1,556.0
051	Hinxton	160.9	102	Wimpole	139.4
				District Total	60,793.0

The above amounts are hereby set as the 2012/13 Council Tax base for the parishes shown.

Signed..... Dated