

COUNCIL TAX BASE 2010/11

Author: Tim Hannam, Corporate Director of Finance & Risk Management
Tel: (01908) 252756
Ray Watkins, Revenue Manager

1. Recommendations

- 1.1 That the Council tax base for 2010/11 be set at 81,759.38 Band D equivalent properties
- 1.2 That the provision for uncollectable amounts of Council Tax for 2010/11 is reduced to 1.15%, producing an expected collection rate of 98.85%.

Comments and Recommendations from the Cabinet Member (Leader of the Council Councillor Sam Crooks:

The Cabinet Member supports the recommendations

2. Issues and Choices

- 2.1 This report is a component of setting the Council Tax for the forthcoming financial year. The monies available for service delivery in this year depend on the amount of Council Tax that we believe will be collected and we have to be careful to estimate this accurately.
- 2.2 As the report outlines, the performance of the council tax collection service continues to improve, both in the money we are collecting for the current year and in our recovery of arrears.
- 2.3 The setting of a realistic and prudent collection rate for Council Tax in 2010/11 is an essential component of the overall budget strategy. If the collection rate set is over-optimistic, this may result in a deficit on the collection fund at the end of 2010/11, the major part of which would need to be met from Milton Keynes 2011/12 Budget. This would impact adversely on the overall budget strategy.
- 2.4 The proposed tax base of 81,759.38 Band D equivalents would result in Council Tax income of £89.5m for Milton Keynes' element if there is no increase in the Council Tax in 2010/11. The overall resources for the 2010/11 budget will be dependent on the outcome of the final formula grant settlement due to be announced around the end of January 2010, although it is not anticipated that there will be any changes from the provisional settlement figures published in December 2009.
- 2.5 The Local Government Act 2003 amended the Local Government Finance Act 1992, and from 2004/05 a full Council meeting is no longer required to adopt the Council tax base that is used when setting council taxes. It was approved at full Council on 13th January 2004 that the Cabinet would set the tax base for the 2005/06 financial year onwards.

- 2.6 The tax base calculation is set out at Annex F1 and must be approved by the 31st January 2010. Annexes F2 and F3 attached analyse the figures at Parish level in terms of Band D equivalents and numbers of properties respectively.
- 2.7 The tax base calculation is based on the number of properties at 14th September 2009 and the discounts applicable on 5th October 2009. These are then increased for estimated new builds within the 2009/10 and 2010/11 financial years. Finally, there are then two further adjustments, a deduction for estimated non-collection and an increase for the effect of discounts. The following table summarises the position:

Table 1: Tax Base 2010/11 – Band D equivalents

Total of Band D Equivalents – Govt return	81,718.30
Provision for Valuation Change Oct 2009-March 2011	710.00
Provision for Non Collection	(951.18)
Sub total	81,477.12
Increase from reduction in discounts to 2nd Homes.	282.26
Total band D equivalent properties	81,759.38

- 2.8 In light of the downturn in economic activity and the particular impact that this has had on new buildings in Milton Keynes, consideration has been given as to the certainty of the new build figures. In particular, all new developments have been scrutinised to see how far they have progressed in 2009/10 and the likelihood that new buildings will be completed in the remainder of this year and 2010/11. The figures have accordingly been scaled back to what is considered the most likely outcome.
- 2.9 This is in line with the methodology adopted last year and the current projected outturn on the collection fund is a small surplus.
- 2.10 The one change that is recommended this year is that the adjustment for non-collection of Council Tax should be reduced in line with the collection rates achieved to date during 2009/10. This would imply a collection rate of 98.85%, which is an improvement of 0.15% on the figure used in calculation of the tax base in previous years.

3. Implications

- 3.1 Policy
None

3.2 Resources and Risk

The tax base of 81,759.38 is consistent with the projections included in the 16th December 2009 Cabinet budget report for 2010/11, 2011/12 and 2012/13.

<input type="checkbox"/>	Capital	<input checked="" type="checkbox"/>	Revenue	<input type="checkbox"/>	Accommodation
<input type="checkbox"/>	IT	<input checked="" type="checkbox"/>	Medium Term Plan	<input type="checkbox"/>	Asset Management

3.3 Legal

In accordance with the Local Government Finance Act 1992 and related Statutory Instruments, the Council is obliged to set its Council tax base for the forthcoming financial year by 31 January.

3.4 Other Implications

<input type="checkbox"/>	Equalities / Diversity	<input type="checkbox"/>	Sustainability	<input type="checkbox"/>	Human Rights
<input type="checkbox"/>	E-Government	<input type="checkbox"/>	Stakeholders	<input type="checkbox"/>	Crime and Disorder
<input type="checkbox"/>	Carbon Management				

Background Papers: Officer Working Papers

CALCULATION OF COUNCIL TAX BASE

2009/10		Property Category	2010/11		Notes
Number of Properties	%		Number of Properties	%	
62,101.00	63.5%	Not entitled to Discounts	61,656.00	62.1%	
32,362.00	33.1%	Entitled to 25% Discount	34,509.00	34.7%	
921.00	0.9%	Entitled to 50% Discount	886.00	0.9%	
<u>95,384.00</u>	<u>97.6%</u>		<u>97,051.00</u>	<u>97.7%</u>	
2,355.00	2.4%	Exemptions/demolished	2,266.00	2.3%	
<u>97,739.00</u>	<u>100.0%</u>	Total Properties	<u>99,317.00</u>	<u>100.0%</u>	1
No of Properties as Band D Equivalents			No of Properties as Band D Equivalents		
80,614.10		Total above as Band D Equivalents	81,718.30		2
920.00		Provision for Valuation Change	710.00		3
<u>(1,063.70)</u>		Provision for Non Collection	<u>(951.18)</u>		4
80,470.40		sub total	<u>81,477.12</u>		
288.72		Increase from reduction in discounts to 2nd Homes.	282.26		5
<u>80,759.12</u>		Total band D equivalent properties	<u>81,759.38</u>		

Notes:

- 1 Numbers of properties are as at 15 September 2008 and 14 September 2009 respectively.
- 2 Tax Base advised to ODPM per CTB1 return for calculating Assumed National Council Tax for Formula Grant purposes. [Band D equivalents of properties at 15 September 2008 and 14 September 2009, adjusted for discounts as at 6 October and 5 October respectively].
- 3 The provision for valuation change is for the period from October 2009 to 31 March 2011.
- 4 The provision for non collection is assumed at 1.15% for 2010/11, down from the 1.3% assumed for 2009/10.
- 5 The CTB1 return includes the second homes discounts at 50%. The Council levies a discount of 10%. Therefore the difference is added to the tax base for tax setting purposes.

MILTON KEYNES COUNCIL TAX BASE - 2010/2011 - LOCAL TAX BASES

LOCAL AREAS (including second homes adjustment)	BAND A Disabled Relief	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL BAND D EQUIVALENTS	PROVN FOR VALUATION CHANGES	PROVN FOR NON-COLLN 1.15%	NET TAX BASE
ASTWOOD & HARMED	0.00	0.67	9.53	16.44	10.50	12.22	29.25	38.75	0.00	117.36	1.64	(1.37)	117.63
BLETCHLEY & FENNY STRATFORD	0.56	1,570.17	925.20	1,403.78	306.65	131.69	33.94	18.33	0.00	4,390.32	43.22	(50.99)	4,382.55
BOW BRICKHILL	0.00	1.83	6.42	44.00	36.50	77.06	65.36	21.25	4.00	256.42	0.82	(2.96)	254.28
BRADWELL	0.00	230.43	1,101.07	712.40	513.25	324.50	141.92	40.50	2.00	3,066.07	0.82	(35.27)	3,031.62
BRADWELL ABBEY	0.00	362.47	780.62	360.26	174.25	410.55	175.36	32.92	0.00	2,296.43	0.00	(26.41)	2,270.02
BROUGHTON & MILTON KEYNES VILLAGE	0.42	90.20	392.31	347.74	230.30	498.61	444.09	198.58	3.50	2,205.75	160.64	(27.21)	2,339.18
CALVERTON	0.00	1.33	2.53	6.22	11.00	15.89	24.05	30.83	4.00	95.85	0.42	(1.11)	95.16
CAMPBELL PARK	0.00	474.17	1,447.90	1,420.35	515.25	427.53	250.33	189.26	6.00	4,730.79	33.77	(54.79)	4,709.77
CENTRAL MILTON KEYNES	0.00	4.60	38.11	122.49	52.00	102.97	90.86	37.50	6.00	454.53	0.42	(5.23)	449.72
CHICHELEY	0.00	242.87	302.05	381.69	34.70	28.17	1.44	0.00	2.00	992.92	0.42	(11.42)	981.92
CLIFTON REYNES & NEWTON BLOSSOMVILLE	0.00	0.67	5.64	11.78	7.00	4.89	6.86	6.67	2.00	45.51	4.91	(0.58)	49.84
COLD BRAYFIELD	0.00	0.09	1.56	18.00	9.65	26.89	63.41	75.83	6.00	202.43	1.24	(2.34)	201.33
EMBERTON	0.00	0.50	1.94	10.44	11.15	3.67	2.89	11.25	0.00	41.84	0.00	(0.48)	41.36
GAYHURST	0.00	4.67	23.33	40.14	45.75	32.39	49.83	89.17	8.00	293.28	0.42	(3.38)	290.32
GREAT LINFORD	0.00	1.00	0.00	3.56	10.05	7.94	8.67	42.92	0.00	74.14	1.64	(0.87)	74.91
HANSLOPE	5.41	564.64	1,957.69	1,360.09	869.10	754.60	524.19	281.93	9.00	6,326.65	1.66	(72.78)	6,255.53
HAVERSHAM/LITTLE LINFORD	0.00	31.44	68.59	301.60	143.40	137.99	155.64	96.76	3.50	938.92	9.04	(10.90)	937.06
KENTS HILL, MONKSTON & BRINKLOW	0.00	82.20	516.13	711.34	467.80	542.17	262.81	56.09	3.00	2,641.54	16.38	(30.57)	2,627.35
LATHBURY	0.00	0.00	1.56	8.00	8.75	7.33	15.53	13.33	3.80	58.30	0.00	(0.67)	57.63
LAVENDON	0.00	5.00	27.61	141.33	113.75	115.50	58.50	64.58	8.00	534.27	4.11	(6.19)	532.19
LITTLE BRICKHILL	0.00	11.17	9.53	46.89	19.75	18.03	20.22	52.75	0.00	178.34	0.42	(2.06)	176.70
LOUGHTON	0.00	80.63	304.16	649.50	247.45	364.59	351.65	366.33	9.00	2,352.96	7.02	(27.37)	2,352.96
MOULSOE	0.00	3.33	14.78	20.67	8.50	23.83	36.11	37.34	1.50	146.06	0.00	(1.68)	144.38
NEW BRADWELL	0.00	163.60	562.45	119.92	42.25	73.08	11.19	1.67	0.00	974.16	0.42	(11.21)	963.37
NEWPORT PAGNELL	0.00	203.63	1,167.13	1,683.19	1,164.30	810.82	209.81	76.25	4.00	5,319.13	20.69	(61.41)	5,278.41
NORTH CRAWLEY	0.00	2.00	21.12	43.11	61.50	102.97	48.03	58.59	5.50	342.82	0.82	(3.95)	339.69
OLNEY	0.00	52.97	196.23	729.56	535.75	578.11	353.53	170.91	5.50	2,622.56	4.56	(30.21)	2,596.91
RAVENSTONE	0.00	0.00	0.70	11.33	8.25	16.81	28.17	43.75	9.50	118.51	2.48	(1.39)	119.60
SHENLEY BROOK END	0.00	393.57	1,563.56	2,193.69	1,472.60	2,136.25	1,110.79	485.50	5.80	9,361.76	17.87	(107.87)	9,271.76
SHENLEY CHURCH END	0.00	186.86	650.61	971.33	500.40	481.43	452.11	454.84	13.00	3,710.58	66.76	(43.44)	3,733.90
SHERINGTON	0.00	1.67	35.97	40.22	68.50	117.94	54.89	90.83	15.00	425.02	1.24	(4.90)	421.36
SIMPSON	0.00	51.03	59.89	46.89	87.90	91.06	42.61	18.33	1.00	398.71	25.96	(4.88)	419.79
STANTONBURY	1.67	527.77	951.07	621.82	399.65	339.41	77.28	0.00	0.00	2,918.67	0.42	(33.57)	2,885.52
STOKE GOLDINGTON	0.00	7.00	22.94	24.00	36.80	70.89	53.81	58.75	0.00	274.19	3.28	(3.19)	274.28
STONY STRATFORD	0.00	331.80	368.79	1,060.53	438.95	304.52	133.68	84.58	0.00	2,722.85	7.00	(31.39)	2,698.46
TYRINGHAM & FILGRAVE	0.00	1.00	3.11	13.38	17.50	14.06	16.11	37.75	9.30	112.21	0.00	(1.29)	110.92
WALTON	0.00	256.63	748.77	1,134.04	436.05	689.28	733.06	394.66	2.00	4,394.49	1.66	(50.56)	4,345.59
WARRINGTON	0.00	0.00	0.00	0.00	4.90	2.44	1.44	6.25	1.50	16.53	0.82	(0.20)	17.15
WAVENDON	0.00	5.94	47.48	55.42	52.65	62.94	86.31	50.00	6.00	366.74	0.00	(4.22)	362.52
WEST BLETCHLEY	0.00	578.27	1,589.84	2,929.73	1,097.45	778.74	298.64	126.25	5.00	7,403.92	13.66	(85.30)	7,332.28
WESTON UNDERWOOD	0.00	0.00	1.17	15.56	16.25	18.94	24.92	33.75	11.50	122.09	0.00	(1.40)	120.69
WOBURN SANDS	0.41	35.64	123.74	209.33	304.65	232.52	133.98	35.00	0.00	1,075.27	25.19	(12.66)	1,087.80
WOLVERTON	0.41	356.47	1,324.36	698.63	261.65	99.61	28.89	14.58	0.00	2,784.60	170.68	(33.99)	2,921.29
WOUGHTON	4.02	1,485.17	1,374.92	343.78	115.75	79.63	164.88	115.67	6.00	3,689.82	10.33	(42.55)	3,657.60
TOTAL	12.90	8,411.77	18,775.83	21,222.84	11,052.20	11,220.88	6,898.71	4,209.53	195.90	82,000.56	710.00	(951.18)	81,759.38

MILTON KEYNES COUNCIL TAX BASE - LOCAL TAX BASES BEFORE DISCOUNTS AND EXEMPTIONS

Number of properties at 14th September 2009 (agreed to Line 1 of the 2010/11 CTB1 Return)

LOCAL AREAS	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL PROPERTIES
ASTWOOD & HARMEAD	3	13	22	12	11	21	24	0	106
BLETCHLEY & FENNY STRATFORD	2,764	1,364	1,740	338	118	12	12	0	6,360
BOW BRICKHILL	4	11	57	39	66	47	15	2	241
BRADWELL	435	1,639	878	546	277	106	25	1	3,907
BRADWELL ABBEY	701	1,159	440	178	363	126	21	0	2,988
BROUGHTON & MILTON KEYNES VILLAGE	174	605	442	252	428	322	124	0	2,349
CALVERTON	12	4	8	14	15	17	20	2	92
CAMPBELL PARK	882	2,124	1,801	568	374	187	119	5	6,060
CASTLETHORPE	8	56	154	58	90	66	23	3	458
CENTRAL MILTON KEYNES	500	469	491	38	29	1	0	1	1,529
CHICHELEY	1	9	15	7	4	5	4	1	46
CLIFTON REYNES & NEWTON BLOSSOMVILLE	3	2	23	11	23	47	49	3	161
COLD BRAYFIELD	3	3	15	13	3	2	7	0	46
EMBERTON	8	37	47	50	29	36	56	4	267
GAYHURST	2	0	4	11	7	7	26	0	57
GREAT LINFORD	1,098	2,853	1,708	935	644	380	178	8	7,804
HANSLOPE	59	104	378	151	120	115	61	2	990
HAVERSHAM/LITTLE LINFORD	12	36	168	90	45	15	30	7	403
KENTS HILL, MONKSTON & BRINKLOW	170	786	908	506	461	191	35	2	3,059
LATHBURY	0	2	9	11	6	11	7	3	49
LAVERDON	9	40	189	124	97	44	40	4	547
LITTLE BRICKHILL	20	15	57	21	16	15	32	0	176
LOUGHTON	161	454	806	264	311	251	228	5	2,480
MOULSOE	6	21	25	10	20	27	23	1	133
NEW BRADWELL	309	827	151	44	65	9	1	0	1,406
NEWPORT PAGNELL	393	1,732	2,084	1,240	690	150	47	5	6,341
NORTH CRAWLEY	3	32	54	66	92	34	38	3	322
OLNEY	103	301	931	583	512	256	109	5	2,800
RAVENSTONE	0	1	15	9	14	22	26	6	93
SHENLEY BROOK END	753	2,371	2,750	1,569	1,823	794	301	4	10,365
SHENLEY CHURCH END	361	971	1,225	536	410	326	286	8	4,123
SHERINGTON	5	51	50	77	100	42	57	8	390
SIMPSON	100	96	59	96	81	32	11	1	476
STANTONBURY	942	1,392	780	428	292	57	2	0	3,893
STOKE GOLDINGTON	12	35	29	40	62	41	39	0	258
STONY STRATFORD	594	563	1,326	477	264	96	54	2	3,376
TYRINGHAM & FILGRAVE	2	4	17	19	12	12	24	6	96
WALTON	494	1,151	1,439	476	589	524	248	1	4,922
WARRINGTON	0	0	1	5	2	1	4	1	14
WAVENDON	12	70	71	58	57	64	31	3	366
WEST BLETCHLEY	1,070	2,314	3,608	1,166	677	213	80	5	9,133
WESTON UNDERWOOD	0	2	19	19	17	17	22	6	102
WOBURN SANDS	73	203	266	339	204	96	21	2	1,204
WOLVERTON	645	1,905	863	279	87	21	9	0	3,809
WOUGHTON	2,656	2,035	438	125	67	119	74	6	5,520
TOTAL	15,562	27,862	26,561	11,898	9,674	4,989	2,643	128	99,317