
Report to Cabinet
Council

12th February 2008
19th February 2008

Report of
Director of Finance and Legal Services

Title
Council Tax Report 2008/09

1 Purpose of the Report

- 1.1 This report calculates the council tax level for 2008/09 that results from the Collection Fund revenue estimates for the year, and makes appropriate recommendations to the full City Council. It also assesses the wider impact of the tax on the City. Some figures are necessarily provisional at this stage due to the Police and Fire precepts not having been confirmed. These are shaded in grey.
- 1.2 The figures presented in this report represent a Council Tax increase, from 2007/08 figures, of 2.70% for the City's Council Tax and 2.76% overall (i.e. including the effect of the precepts from the Police and Fire Authorities).
- 1.3 The report is structured in the following sections:
 - section 2 Recommendations (which set out the calculation of the tax)
 - section 3 Total Council Tax Levels
 - section 4 Other Specific Implications
- 1.4 Members should note that the recommendations follow the structure of resolutions drawn up by the local authority associations, to ensure that legal requirements are fully adhered to in setting the tax. As a consequence, the wording of the proposed resolutions is necessarily complex.

2 Recommendations

- 2.1 That it be noted that at its meeting on 29th January 2008 the Council's Cabinet approved the following amounts as its Council Tax base for the year 2008/09 in accordance with Regulations made under Section 33(5) of the Local Government Finance Act 1992:

a) 89,174.6 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year;

b)

Allesley	383.4
Keresley	222.2

being the amounts calculated by the Council, in accordance with Regulation 6 of the regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

2.2 That the following amounts be now calculated by the Council for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:

a) £ 704,082,192 being the aggregate of the amounts that the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act, other than any expenditure estimated to be incurred which will be charged to a Business Improvement District (BID) revenue account as set out in section 43(2)(a) of the Local Government Act 2003. *(Gross Expenditure including the amount required for the working balance);*

b) £ 446,365,000 being the aggregate of the amounts that the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act, other than any income estimated to be received which will be credited to a BID revenue account as set out in section 43(2)(b) or (c) of the Local Government Act 2003. *(Gross Income including reserves to be used to meet the Gross Expenditure);*

c) £ 257,717,192 being the amount by which the aggregate at 2.2(a) above exceeds the aggregate at 2.2(b) above, calculated by the Council in accordance with Section 32(4) of the Act, as its **budget requirement** for the year;

d) £ 146,650,628 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of Formula Grant (the sum of Revenue Support Grant and National Non Domestic Rates) [£145,403,117] and the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with the Act as amended by the 1994 Regulations (Council Tax Surplus) [£1,242,485] and pursuant to the Collection Fund (Community Charge) directions under Section 98(4) of the Local Government Finance Act 1988 (Community Charge Surplus) [£5,026].

e) £ 1,245.50 =
$$\frac{2.2(c) - 2.2(d)}{2.1(a)} = \frac{257,717,192 - 146,650,628}{89,174.6}$$

being the amount at 2.2(c) above, less the amount at 2.2(d) above, all divided by the amount at 2.1(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year. *(Average Council Tax at Band D for the City including Parish Precepts).*

f) £ 4,950 being the aggregate amount of all special items referred to in Section 34(1) of the Act. (*Parish Precepts*);

$$g) \text{ £ } 1,245.44 = \frac{2.2(e) - 2.2(f)}{2.1(a)} = 1,245.50 - \frac{4,950}{89,174.6}$$

being the amount at 2.2(e) above, less the result given by dividing the amount at 2.2(f) above by the amounts at 2.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of the area to which no special item relates. (*Council Tax at Band D for the City excluding Parish Precepts*);

h)

Coventry Unparished Area	1,245.44
Allesley	1,254.05
Keresley	1,252.87

being the amounts given by adding to the amount at 2.2(g) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. (*Council Taxes at Band D for the City and Parish*).

i)

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Keresley
	£	£	£
A	830.29	836.03	835.24
B	968.68	975.38	974.46
C	1107.06	1114.71	1113.66
D	1245.44	1254.05	1252.87
E	1522.20	1532.72	1531.28
F	1798.97	1811.41	1809.70
G	2075.73	2090.08	2088.11
H	2490.88	2508.10	2505.74

being the amounts given by multiplying the amounts at 2.2(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

2.3 That it be noted that for the year 2008-09 the West Midlands Police Authority and West Midlands Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

Valuation Band	West Midlands Police Authority £	West Midlands Fire Authority £
A	63.11	30.49
B	73.63	35.58
C	84.15	40.66
D	94.67	45.74
E	115.71	55.90
F	136.75	66.07
G	157.79	76.23
H	189.34	91.48

- 2.4 That having calculated the aggregate in each case of the amounts at 2.2(i) and 2.3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2008/09 for each of the categories of dwellings shown below:

Valuation Band	Parts to which no special item relates £	Parish of Allesley £	Parish of Keresley £
A	923.89	929.63	928.84
B	1077.89	1084.59	1083.67
C	1231.87	1239.52	1238.47
D	1385.85	1394.46	1393.28
E	1693.81	1704.33	1702.89
F	2001.79	2014.23	2012.52
G	2309.75	2324.10	2322.13
H	2771.70	2788.92	2786.56

3 Total Council Tax Levels

- 3.1 The figures calculated above represent an increase, from 2007/08 figures, of 2.70% for the City's Council Tax and 2.76% overall.
- 3.2 Total Council Tax excluding any element for Parish Precepts can be broken down as:

	Band D £	Increase from 2007/08 %	Proportion of total bill %
Coventry City Council	1245.44	2.70	89.87
West Midlands Police Authority	94.67	3.50	6.83
West Midlands Fire Authority	45.74	2.95	3.30
Total Coventry Council Tax	1385.85	2.76	100.00

3.3 The Band D Council Tax is used by Government as the national comparator. However, for Coventry, this does not reflect the demographics of the area and the make up of the property mix; Coventry's property base is weighted towards Bands A – C. The average Council Tax bill in Coventry is £989.98 after allowing for the following discounts:

- exempt property discounts (e.g. a vacant dwelling which requires or is undergoing major repair works to render it habitable, dwellings owned by charities, dwellings occupied by ministers of religion or students)
- disabled persons discounts (Eligibility for this discount depends on any member of the household of any age, needing the provision of facilities because of substantial and permanent disability. Facilities or features include a room that is not a bathroom, kitchen or toilet which is predominately used by, or is required for meeting the needs of the disabled person and may have been adapted for that use. Evidence from a doctor or occupational therapist may be required.)

The Council Tax bill for a property may be further reduced for single adults, who receive a 25% discount.

3.4 In addition, households on low income may also receive reductions in the form of council tax benefit. Individuals living in properties in Bands F, G and H are not entitled to full benefit, they can only claim the amount they would be entitled to if they lived in a Band E property. These reductions are matched by central government grant.

3.5 The total or "headline" council tax calculated for each band, for households of 2 or more adults with no reductions, and for households of 1 adult, is summarised below:

Valuation Band	Value of Property As at April 1991	Proportion Of Band D	Chargeable Dwellings		Council Tax	
			No.	%	2 + Adults ¹ £	1 Adult ¹ £
Band A dwellings entitled to Disabled Persons Relief		5/9	102	0.1	769.92	577.44
A	Up to £40,000	6/9	51139	40.9	923.89	692.92
B	£40,001 to £52,000	7/9	37302	29.9	1077.89	808.41
C	£52,001 to £68,000	8/9	20605	16.5	1231.87	923.89
D	£68,001 to £88,000	9/9	8119	6.5	1385.85	1039.38
E	£88,001 to £120,000	11/9	4105	3.3	1693.81	1270.35
F	£120,001 to £160,000	13/9	2082	1.7	2001.79	1501.34
G	£160,001 to £320,000	15/9	1294	1.0	2309.75	1732.31
H	Over £320,000	18/9	91	0.1	2771.70	2078.77
			124,839	100.0		

¹ These amounts may be subject to penny roundings when the actual bill is produced

4 Other specific implications

	Implications (See below)	No Implications
Best Value		✓
Children and Young People		✓
Climate Change and Sustainable Development		✓
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan		✓
Crime and Disorder		✓
Equal Opportunities		✓
Finance	✓	
Health and Safety		✓
Human Resources		✓
Human Rights Act		✓
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications	✓	
Neighbourhood Management		✓
Property Implications		✓
Race Equality Scheme		✓
Risk Management		✓
Trade Union Consultation		✓
Voluntary Sector – The Coventry Compact		✓

4.1 Financial Implications

At the margin a £1m increase or decrease in either the City Council's 2008/09 budget requirement or Government grant, would lead to a £11.21 increase or decrease in Band D Council Tax (£8.01 in the average council tax per chargeable dwelling). Every £1 added to or removed from the Council Tax level will raise or reduce Council Tax income by £89,175.

4.2 Legal Implications

As stated above in sections 2 to 4 the level of council tax is calculated strictly in accordance with reference to Sections 32 to 36 of the Local Government Finance Act 1992, and all relevant Regulations.

5. Timescale and expected outcomes

	Yes	No
Key Decision	√	
Scrutiny Consideration (if yes, which Scrutiny meeting and date)		√
Council Consideration (if yes, date of Council meeting)	√ 19th February 2008	

List of background papers

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Papers open to Public Inspection

Description of paper

Council Tax Setting 2008/09

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3rd Floor Christchurch House