

## CITY OF PLYMOUTH

**Subject:** Council Tax Base Setting  
**Committee:** Cabinet  
**Date:** 15 December 2009  
**Cabinet Member:** Cllr Bowyer  
**CMT Member:** Director of Corporate Support – Adam Broome  
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**Ref:** REV/GE  
**Part:** I

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### **Executive Summary:**

The report provides Members with a Council Tax-base for Tax Setting purposes in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 as amended by SI 2003/3181.

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### **Corporate Plan 2009-2012:**

The correct calculation of the council tax base will ensure the Council maximises its financial resources to meet corporate objectives.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

A collection rate of 98.5% has been used in calculating the Council Tax-base.

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### **Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

None

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### **Recommendations & Reasons for recommended action:**

It is recommended that Cabinet make a recommendation to Full Council to approve the Council Tax Base for 2010/11 Tax Setting as 76,899 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.

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### **Alternative options considered and reasons for recommended action:**

Not applicable – calculation of the tax base is a statutory function

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**Background papers:**

Calculation of Council Tax Base Return to CLG (CTB1)

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**Sign off:**

Fin	SW Corp F9000 08	Leg	<b>DVS 1078</b>	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member Adam Broome											

## 1. **INTRODUCTION**

- 1.1 The Local Government Finance Act 1992 (amended 2003) establishes arrangements for the setting of Council Taxes. The arrangements include the valuation of the Council Tax-base for tax setting for which a Council resolution is necessary. Regulations require that this calculation be made annually between 1 December and 31 January prior to the financial year within which it will be effective. The result must be notified to Devon County Council, the Police Authority and the combined Fire Authority by the 31 January. Although Devon no longer precepts upon Plymouth, the cost of certain joint services are shared on the Council Tax Base and the County will need to be informed of the figures.

## 2. **PURPOSE OF THE REPORT**

- 2.1 The purpose of this report is to present the Committee with the calculation of the Council Tax-base of 76,899 for tax setting for the financial year 2010/11. For purposes of comparison, the Council Tax-base for tax setting in the financial year 2009/10 was 76,750.

## 3. **TAX-BASE CALCULATIONS**

- 3.1 Tax-base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band multiplied by the estimated "collection rate" for the year.
- 3.2 Relevant amounts are:
- (a) the number of chargeable dwellings in that band shown in the valuation list as it stands on the relevant day;
  - (b) the number of discounts, disabled reductions and exemptions which apply to those dwellings on the relevant day;
  - (c) estimated changes in (a) and (b) above between the relevant day and the last day of the charging period to which the estimate applies;
  - (d) the number of band D equivalents within each different band. The relevant day is 30 November in the financial year preceding that for which the relevant amounts are calculated.
- 3.3 The collection rate for the year is the Billing Authority's estimate of the total amounts of Council Tax, which will ultimately be paid or transferred.
- 3.4 A summary of the actual calculation of the 2010/11 Council Tax-base for Plymouth is contained in Appendices to this report. Appendix A shows the tax base calculation, Appendix B shows the tax base used for the previous three years for comparison.
- 3.5 This report assumes a collection rate for Council Tax of 98.5%. Whilst there is a risk in the current economic climate that in-year collection may be affected, it is assumed that in the longer term the level of 98.5% remains achievable.

## 4. **RECOMMENDATION**

- 4.1 It is recommended that Cabinet make a recommendation to Full Council to approve the Council Tax Base for Tax Setting for 2010/11 as 76,899 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.

**APPENDIX A**

**Tax Base allowing for a 98.5% collection rate.**

<b>BAND</b>	<b>NO. OF PROPERTIES BEFORE DISCOUNT</b>	<b>NO. OF PROPERTIES AFTER DISCOUNT and EXEMPTIONS</b>	<b>BAND D EQUIVALENTS</b>	<b>ESTIMATED COLLECTION RATE</b>	<b>ADJUSTED BAND D EQUIVALENTS</b>
A	46,215	37,403	24,927	98.5%	24,553
B	30,477	25,669	19,965	98.5%	19,666
C	21,520	18,781	16,694	98.5%	16,444
D	8,758	7,700	7,700	98.5%	7,585
E	4,467	4,039	4,937	98.5%	4,863
F	1,662	1,524	2,201	98.5%	2,168
G	560	453	755	98.5%	744
H	59	18	36	98.5%	35
	<hr/> 113,718	<hr/> 95,587	<hr/> 77,215		<hr/> 76,058
Plus adjustment for MOD Contribution			<hr/> 841		<hr/> 841
<b>TAX BASE TOTALS</b>			<hr/> 78,056		<hr/> 76,899

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**APPENDIX B**

**Tax Base and collection rates used for previous three years.**

Year	2009/2010			2008/2009			2007/2008		
Band	No. of properties	Estimated collection rate	Adjusted Band D equivalents	No. of properties	Estimated collection rate	Adjusted Band D equivalents	No. of properties	Estimated collection rate	Adjusted Band D equivalents
A	45,909	98.5%	24,527	45,454	98.5%	24,379	44,820	98.5%	24,132
B	30,243	98.5%	19,667	29,807	98.5%	19,479	29,511	98.5%	19,334
C	21,348	98.5%	16,390	21,249	98.5%	16,382	21,067	98.5%	16,255
D	8,642	98.5%	7,539	8,585	98.5%	7,535	8,523	98.5%	7,497
E	4,453	98.5%	4,845	4,427	98.5%	4,864	4,384	98.5%	4,819
F	1,661	98.5%	2,163	1,671	98.5%	2,194	1,653	98.5%	2,161
G	561	98.5%	752	556	98.5%	741	550	98.5%	748
H	59	98.5%	37	60	98.5%	37	58	98.5%	35
Totals	112,876		75,920	111,809		75,611	110,566		74,981
Plus adjustment for MOD Contribution			830			833			845
<b>TAX BASE TOTALS</b>			<b>76,750</b>			<b>76,444</b>			<b>75,826</b>