

CITY OF PLYMOUTH

Subject: Council Tax Base Setting
Committee: Cabinet
Date: 13 December 2011
Cabinet Member: Councillor Bowyer
CMT Member: Director for Corporate Support
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Ref: REV/MC
Part: I

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.

Corporate Plan 2011-2014:

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

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.

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

None

Recommendations & Reasons for recommended action:

It is recommended that Cabinet make a recommendation to Full Council to approve the Council Tax Base for 2012/13 Tax Setting as 77,271 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.

Alternative options considered and reasons for recommended action:

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

Background papers:

Calculation of Council Tax Base Return to CLG (CTBI)

Sign off:

Fin	Djn 1112. 020	Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member Malcolm Coe											

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 77,271 for tax setting for the financial year 2012/13. For purposes of comparison, the Council Tax-base for tax setting in the financial year 2011/12 was 77,066.

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 2012/13 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 2012/13 as 77,271 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 – 2012/13

BAND	NO. OF PROPERTIES BEFORE DISCOUNT	NO. OF PROPERTIES AFTER DISCOUNT and EXEMPTIONS	BAND D EQUIVALENTS	ESTIMATED COLLECTION RATE	ADJUSTED BAND D EQUIVALENTS
A	46,363	37,236	24,815	98.5%	24,443
B	30,914	25,977	20,204	98.5%	19,901
C	21,734	18,937	16,833	98.5%	16,580
D	8,903	7,800	7,800	98.5%	7,683
E	4,493	4,017	4,910	98.5%	4,836
F	1,675	1,541	2,225	98.5%	2,192
G	567	464	773	98.5%	761
H	58	16	33	98.5%	32
	<hr/> 114,707	<hr/> 95,988	<hr/> 77,593		<hr/> 76,428
Plus adjustment for MOD Contribution			<hr/> 843		<hr/> 843
TAX BASE TOTALS			<hr/> 78,436		<hr/> 77,271

APPENDIX B

Tax Base and collection rates used for previous three years.

Year	2011/2012			2010/2011			2009/10		
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	46,395	98.5%	24,500	46,215	98.5%	24,553	45,909	98.5%	24,527
B	30,600	98.5%	19,766	30,477	98.5%	19,666	30,243	98.5%	19,667
C	21,631	98.5%	16,553	21,520	98.5%	16,444	21,348	98.5%	16,390
D	8,823	98.5%	7,626	8,758	98.5%	7,585	8,642	98.5%	7,539
E	4,476	98.5%	4,838	4,467	98.5%	4,863	4,453	98.5%	4,845
F	1,665	98.5%	2,160	1,662	98.5%	2,168	1,661	98.5%	2,163
G	560	98.5%	759	560	98.5%	744	561	98.5%	752
H	58	98.5%	31	59	98.5%	35	59	98.5%	37
Totals	114,208		76,233	113,718		76,058	112,876		75,920
Plus adjustment for MOD Contribution			833			841			830
TAX BASE TOTALS			<u>77,066</u>			<u>76,899</u>			<u>76,750</u>