PLYMOUTH CITY COUNCIL

Subject: Council Tax Base Setting 2014/15

Committee: Cabinet

Date: 14 January 2014

Cabinet Member: Councillor Lowry

CMT Member: Malcolm Coe (Assistant Director for Finance)

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Ref: REV/MC

Key Decision: No

Part:

Purpose of the report:

The report provides Members with a Council Tax-base for Tax Setting purposes in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

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 97.5% has been used in calculating the Council Tax-base. This Council Tax Base setting report together with Appendix A which details the tax base calculations, shows the tax base is 67,066 which will give us a Council Tax requirement of £86,847,153.38 assuming a 1.99% increase. This is in line with the resource modelling within the budget papers being presented to Council in February 2014.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None – this report sets out the base for the Council Tax resource for 2014/15 and all implications from resource allocation are set out in the three year sustainable budget report.

Recommendations and Reasons for recommended action: That Cabinet recommend to Council the approval of the Council Tax Base for 2014/15 Tax Settir as 67,066 Band D equivalents, which is the tax base after allowing for an estimated collection rate 97.5%. Alternative options considered and rejected: Not applicable – calculation of the tax base is a statutory function. Published work / information: None Background papers: None Sign off:	Equality and Diversity:											
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has the Cabinet Member(s) agreed the content of the report? Yes	Originating SMT Member: Malcolm Coe											
	Has the Cabinet Member(s) agreed the content of the report? Yes											

I INTRODUCTION

- 1.1 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 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. The result must be notified to the Police and Crime Commissioner and the combined Fire Authority by the 31 January.
- 1.2 Regulations require the Council to determine its Tax Base for Council Tax purposes for 2014/15 during the period I December 2013 to 31 January 2014 prior to the financial year within which it will be effective. The level of Council Tax subsequently set must use this base figure. A Tax Base calculation is provided in Appendix A for an appropriate decision to be made.
- 1.3 The calculation of the Tax Base includes the impact of the Council Tax Support Scheme which significantly reduces income from Council Tax which is then offset, in part, by a Council Tax Support Grant (which is included within the Revenue Support Grant).

2. PURPOSE OF THE REPORT

2.1 The purpose of this report is to present the Cabinet with the calculation of the Council Tax Base of 67,066 for tax setting for the financial year 2014/15. For purposes of comparison, the Council Tax Base for tax setting in the financial year 2013/14 was 66,958.

3 BACKGROUND

- 3.1 During 2013/14 there were significant changes in the components of the Tax Base and its calculation. These arose from changes to regulations in relation to exemptions and discounts and new legislation, specifically the introduction of a Council Tax Reduction scheme, known as Council Tax Support which replaced Council Tax Benefit.
- 3.2 The impact of these changes resulted in the reduction of the Tax Base and therefore a reduction the level of Council Tax income to the Council. This reduction is met in part by the Council Tax Support Grant.
- 3.3 The setting of the Tax Base for 2014/15 has been calculated based on changes to the regulations and new legislation.

4 TAX BASE CALCULATIONS

- 4.1 The Council is required by 31st January to establish a base figure for the purpose of setting the level of Council Tax each year the Tax Base. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulation 2012.
- 4.2 The regulations require this calculation to be made between 1 December 2013 and 31 January 2014. For the year commencing 1 April 2014 the major precepting authorities will be Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority and Plymouth City Council.

4.3 Tax base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band (now including the impact from Council Tax Support scheme) multiplied by the estimated "collection rate" for the year.

4.4 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) Impact of the Council Tax Support scheme which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions by the estimated Council Tax for that band;
- (e) The number of band D equivalents within each different band.
- (f) The relevant day is 30 November in the financial year preceding that for which the relevant amounts are calculated.
- 4.5 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 into the Collection Fund.
- 4.6 A summary of the actual calculation of the 2014/15 Council Tax Base for Plymouth is shown in the 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.
- 4.7 This report assumes a collection rate for Council Tax of 97.5% after taking into account the continued impact of Welfare Reform.

6 COUNCIL TAX SUPPORT GRANT

6.1 From 2013/14, the Council receives a grant to fund a local Council Tax Support scheme. This grant reflects the funding reductions that the Government have set for Councils for the local scheme and is merged in to the Revenue Support Grant. An estimate of this has been included in the Council's budget proposals for 2014/15.

CALCULATION OF COUNCIL TAXBASE - 2014/15

30th November 2013 - "Relevant date"

Plymouth COU			TAX BASE CALCULATION				2014/2015						
				BAND A with disabled relief	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL
Number of dwellings in valuation list		(30/11/2013)		with disabled relief 0	46,657	31,379	21,986	9,123	4,679	1,657	578	60	116,119
Number of exempt dwellings (incl demolished)					2,951	1,892	1,133	616	193	44	42	21	6,892
Reductions to lower band due to disabled relief:				0	(112)	(151)	(121)	(90)	(61)	(26)	(33)	(11)	(605)
Additions to band due to disabled relief:				112	151	121	90	61	26	33	11	0	605
(H) CHARGEABLE DWELLINGS FOR BAND				112	43,745	29,457	20,822	8,478	4,451	1,620	514	28	109,227
Total "appropriate %" discounts (8&9)		Single / disregard- 25%	25%	39	22,028	9,891	5,492	1,901	868	261	68	1	40,549
Total "appropriate %" discounts (10)		Disregard - 50%	50%	5	45	47	26	27	14	31	28	17	240
Total "appropriate %" discounts (11)		Second Homes Class D (Major works)	0% 50%	-	293 64	179 59	111 47	78 11	77 7	28 4	15 1	-	781 193
		Class C (Less than 1 month)	100%	-	872	397	215	63	70	16	6	1	195
(Q) Total Discounts		Formula		12	5,634	2,559	1,427	500	233	84	32	9	10,490
				•	•		•		•				
Long Term Empty Premium (15)		Premium	50%	- 1	133	24	16	5	-	1	2	-	181
(E) Long Term Empty Premium		Formula to give value			67	12	8	3	0	1	1	0	91
Estimated number of dwellings not listed but which will be listed in the band for the whole or any part													
of financial year	2014/2015			0	102	112	74	95	65	0	1	1	450
Estimated number of reductions to lower band due to successful appeals :				0	0	(9)	(2)	(1)	(4)	(3)	(1)	0	(20)
Estimated number of additions to lower band due to successful appeals :				0	9	2	1	4	3	1	0	0	20
(J) Total Adjustments				0	111	105	73	98	64	(2)	0	1	450
(Z) Local Council Tax Scheme Reductions				68	11,503	3,937	1,278	315	85	21	3	0	17,210
TOTAL DWELLINGS ((H-Q+E+J)-Z)				32	26,785	23,078	18,198	7,764	4,197	1,513	480	20	82,158
(F) (G) Ratio to Band D				<u>5</u> 9	<u>6</u> 9	<u>7</u> 9	<u>8</u> 9	<u>9</u> 9	<u>11</u> 9	<u>13</u> 9	<u>15</u> 9	<u>18</u> 9	
(A) RELEVANT AMOUNTS' for 2012/2013	((H-Q+E+J)-Z) x (F divided by G)			18	17,857	17,950	16,176	7,764	5,129	2,186	800	40	67,919
[Section 4 (1) of The Local Authorities (Calculation of Cour	ncil Tax Base) (England) Regulations 2012]												
(B) COLLECTION RATE												İ	97.5%
(A) x (B) Plus Tax base	[Section 3 (1) of The Local Authorities (Regulations 2012] Plus adjustment for MOD equivalent	Calculation of Council Tax Base	e) (England)	17	17,410	17,501	15,771	7,570	5,001	2,131	780	39	66,221 845 67,066

Tax Base and collection rates used for previous three years.

Appendix B

Year		2013/2014 2012/2013							
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
Α	46,555	97.5%	17,611	46,363	98.5%	24,443	46,395	98.5%	24,500
В	31,134	97.5%	17,431	30,914	98.5%	19,901	30,600	98.5%	19,766
С	21,800	97.5%	15,637	21,734	98.5%	16,580	21,631	98.5%	16,553
D	8,922	97.5%	7,499	8,903	98.5%	7,683	8,823	98.5%	7,626
E	4,539	97.5%	4,891	4,493	98.5%	4,836	4,476	98.5%	4,838
F G	1,673 578	97.5% 97.5%	2,199 798	1,675 567	98.5% 98.5%	2,192 761	1,665 560	98.5% 98.5%	2,160 759
Н	59	97.5%	37	58	98.5%	32	58	98.5%	31
Totals	115,260		66,105	114,707		76,428	114,208		76,233
Plus adjus MOD Con			853			843			833
TAX BAS	E TOTALS		66,958			77,271			77,066