

PLYMOUTH CITY COUNCIL

Subject: Council Tax Base Setting 2015/16 and Council Tax Support Scheme 2015/16

Committee: Cabinet

Date: 13 January 2015

Cabinet Member: Councillor Lowry

CMT Member: Malcolm Coe (Assistant Director for Finance)

Author: Natalia Szabo-Reed (Principal Technical Accountant)

Contact: Email:natalia.szabo-reed@plymouth.gov.uk
Tel: 01752 304121

Ref:

Key Decision: No

Part: I

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 maximizes 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. This Council Tax base setting report together with Appendix A which details the tax base calculations, shows the tax base is 68,460 which will give us a Council Tax requirement of £90,407,129 assuming a 1.99% increase. This is in line with the resource modelling within the budget papers being presented to Council in February 2015.

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 2015/16 and all implications from resource allocation are set out in the four year sustainable budget report.

Equality and Diversity:

None

Recommendations and Reasons for recommended action:

1. That Cabinet recommend to Council the approval of the Council Tax Base for 2015/16 Tax Setting as 68,460 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.
 2. That Cabinet recommend to Council the approval of the 2014/15 Council Tax Support Support scheme continuing for the 2015/16 financial year and that all elements of the scheme remain the same.
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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:

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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 major precepting authorities.
- 1.2 For the year commencing 1 April 2015 the major precepting authorities will be Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority and Plymouth City Council.
- 1.3 Regulations require the Council to determine its Tax Base for Council Tax purposes for 2015/16 during the period 1 December 2014 to 31 January 2015. The level of Council Tax subsequently set must use this base figure. A Tax Base calculation is provided in Appendix A.
- 1.4 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 Settlement Funding Allocation.

2 PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to present Cabinet with the calculation of the Council Tax Base of 68,460 for tax setting for the financial year 2015/16. For purposes of comparison, the Council Tax Base for tax setting in the financial year 2014/15 was 67,066.
- 2.2 The Tax Base calculation includes the impact of the Council Tax Support Scheme. This report assumes that all elements of the scheme remain the same for the 2015/16 financial year.

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) 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.

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 into the Collection Fund.

3.4 This report assumes a collection rate for Council Tax of 98.5%.

3.5 A summary of the actual calculation of the 2015/16 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.

Council Tax base in previous years

Appendix B

	2014/15			2013/14			2012/13		
Band	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent
A	46,657	97.50%	17,428	46,555	97.50%	17,613	46,363	98.50%	24,443
B	31,379	97.50%	17,501	31,134	97.50%	17,431	30,914	98.50%	19,901
C	21,986	97.50%	15,771	21,800	97.50%	15,637	21,734	98.50%	16,580
D	9,123	97.50%	7,570	8,922	97.50%	7,499	8,903	98.50%	7,683
E	4,679	97.50%	5,001	4,539	97.50%	4,891	4,493	98.50%	4,836
F	1,657	97.50%	2,131	1,673	97.50%	2,199	1,675	98.50%	2,192
G	578	97.50%	780	578	97.50%	798	567	98.50%	761
H	60	97.50%	39	59	97.50%	37	58	98.50%	32
Total	116,119		66,221	115,260		66,105	114,707	98.50%	76,428
MOD			845			853			843
Tax Base			67,066			66,958			77,271