

CABINET MEETING

Agenda Item 150

Brighton & Hove City Council

Subject: Council Tax Base 2009/10
Date of Meeting: 15 January 2009
Report of: Interim Director of Finance & Resources
Contact Officer: Name: Mark Ireland Tel: 29-1240
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Key Decision: Yes Forward Plan No. CAB6523
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The council tax base represents the amount that would be raised by the setting of a £1 council tax.
- 1.2 It is a requirement of the Local Government Finance Act 1992 and regulations made thereunder that the tax base is calculated for the purpose of setting the Council Tax in 2009/10 before 31st January 2009.
- 1.3 The purpose of this report is for Members to agree the tax base calculation for 2009/10.

2. RECOMMENDATIONS:

- 2.1 That the report of the Interim Director of Finance & Resources for the calculation of the council's tax base for the year 2009/10 be approved.
- 2.2 That the Collection Rate increases by 0.1% to 98.1% and that an additional budget allocation of £52,000 from 2009/10 is made to the Revenues Service to achieve this increase generating a net saving of £50,000.
- 2.3 That pursuant to the Interim Director of Finance & Resources report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amounts calculated by Brighton & Hove City Council as its council tax base for the year 2009/10 shall be as follows:-
 - 2.3.1 For Brighton and Hove whole – 92,511.63
 - 2.3.2 For the Royal Crescent Enclosure Committee – 30.29
 - 2.3.3 For the Hanover Crescent Enclosure Committee – 40.35
 - 2.3.4 For the Marine Square Enclosure Committee – 78.63
 - 2.3.5 For the Parish of Rottingdean – 1,488.25

2.4 That for the purposes of Section 35(1) of the Local Government Finance Act 1992 the expenses of meeting the special levies issued to the council by the Enclosure Committees shall be its special expenses.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 The tax base has been calculated in accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992. The detail of the calculation for the whole of Brighton & Hove is shown at appendix 1.

3.2 The regulations require a separate calculation to be carried out for parts of a local authority area where special expenses apply. Appendices 2, 3 and 4 show the details of the calculations for Enclosure Committees in Brighton which fall under this category. Each Enclosure Committee sets a levy for maintaining the enclosure gardens and this is recovered through an additional council tax charge to the enclosure residents. Appendix 5 shows the calculation for the Parish of Rottingdean.

3.3 The tax base is calculated as the aggregate of the “relevant amounts” for each valuation band multiplied by the council’s estimate of the “collection rate” for the year. The relevant amount is the authority’s estimate of the number of chargeable dwellings less discounts in valuation band, multiplied by the valuation band ratio. The collection rate is the authority’s estimate of the total amount of council tax relating to 2009/10 which will ultimately be paid.

3.4 Work has been undertaken to establish the level of resources that would be required in order to increase the collection rate by 0.1% to 98.1%. Best practice visits have identified successful pro-active practice in other high performing authorities and replicating this work should generate additional revenue to the council of about £0.1m. In order to achieve this £52,000 will be needed in the revenue budget to cover the cost of two extra officers to engage in pro-active recovery work, with the main emphasis being on outbound calls to secure payment before customers suffer the additional cost of enforcement action.

3.5 The tax base for 2009/10 is 92,511.63, a reduction of 0.9% from the 2008/09 tax base of 93,350.27. The main reason for the decrease is the increase in the number of student exempt properties which has not been offset by new properties as the credit crunch has had a detrimental impact on property developments across the city. Although the tax base projection is lower than 2008/09 this is still an improvement of 151.63 from the position previously reported to Members. This will raise an estimated £0.2m additional revenue to the council of which £0.1m is needed to generate the savings outlined in paragraph 3.4. The balance will be incorporated into the 2009/10 revenue budget report to Cabinet on 12th February 2009.

4. CONSULTATION

- 4.1 There are regular meetings between Strategic Finance and Customer Services to discuss the monthly movement in tax base and the projections used for determining the tax base for the following year.
- 4.2 Sussex Police Authority and East Sussex Fire Authority have been kept informed of the latest tax base projections.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The tax-setting tax base ("T") is a measure of the 2009/10 taxable capacity of the council and as such has a direct effect on the level of Council Tax. A higher tax base will result in a lower level of Council Tax.

Finance Officer Consulted: Mark Ireland Date: 31/12/08

Legal Implications:

- 5.2 Under section 67 of the Local Government Finance Act 1992 (as amended), the determination of an amount for "T" need not be a function of full Council, and is therefore proper to be made by the Executive. Regulation 8 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 requires the Council to calculate "T" between the period 1 December and 31 January so that any precepting authorities can be informed of the amount. The method of calculating "T" is as set out in the body of the report. Calculating "T" is a necessary function. It will ultimately enable the local Council Tax to be calculated after the Council has made decisions on the level of revenue it wishes to raise. Making the "T" calculation is not an indication of how much revenue the Council wants to raise. There are no immediate human rights implications in connection with this exercise.

Lawyer Consulted: Oliver Dixon Date: 22/12/08

Equalities Implications:

- 5.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 5.4 None.

Crime & Disorder Implications:

- 5.5 None.

Risk & Opportunity Management Implications:

- 5.6 None.

Corporate / Citywide Implications:

- 5.7 The council's revenue budget position will determine the resources available to support the City Council's corporate implications.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 There are no alternative options as the council has a requirement to set the council tax base.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 It is a requirement of the Local Government Finance Act 1992 and regulations made thereunder that the tax base is calculated for the purpose of setting the Council Tax in 2009/10 before 31st January 2009.

SUPPORTING DOCUMENTATION

Appendices:

1. Tax base calculation for the whole of Brighton and Hove
2. Tax base calculation for Royal Crescent
3. Tax base calculation for Hanover Crescent
4. Tax base calculation for Marine Square
5. Tax base calculation for Rottingdean Parish

Documents in Members' Rooms

1. None

Background Documents

1. CTB return for Brighton & Hove City Council 2009/10
2. Targeted Budget Management (TBM) Month 4 Cabinet report 18th September 2008