

Subject:	Council Tax Base 2012/13		
Date of Meeting:	19th January 2012		
Report of:	Director of Finance		
Contact Officer:	Name:	Mark Ireland	Tel: 29-1240
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Key Decision:	Yes	Forward Plan No. 21043	
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 2012/13 before 31st January 2012.
- 1.3 The purpose of this report is for Members to agree the tax base calculation for 2012/13.

2. RECOMMENDATIONS:

That Cabinet -

- 2.1 Approves this report for the calculation of the council's tax base for the year 2012/13.
- 2.2 Agrees a 0.1% increase to the Collection Rate to 98.6% for 2012/13 generating a net saving of £125,000 that year.
- 2.3 Agrees that, 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 2012/13 shall be as follows:-
 - 2.3.1 For Brighton and Hove whole – 94,601.45 (as detailed in appendix 1)
 - 2.3.2 For the Royal Crescent Enclosure Committee – 30.57 (as detailed in appendix 2)
 - 2.3.3 For the Hanover Crescent Enclosure Committee – 40.06 (as detailed in appendix 3)
 - 2.3.4 For the Marine Square Enclosure Committee – 76.23 (as detailed in appendix 4)

- 2.3.5 For the Parish of Rottingdean – 1,548.24 (as detailed in appendix 5)
- 2.4 Agrees 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 each 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 2012/13 which will ultimately be paid.
- 3.4 It is proposed that the council tax collection rate be increased by 0.1% from 98.5% to 98.6% for 2012/13 due to the improved collection performance being realised during 2011/12. The increase in the collection rate of 0.1% will generate additional income to the council of £125,000 which was reported to December 2011 Cabinet as part of the savings package for the 2012/13 budget.
- 3.5 The tax base proposed for 2012/13 is 94,601.45 which is a decrease of 0.3% from the 2011/12 tax base of 94,897.89. The main reasons for the change in the tax base figure are:
- Increased number of properties exempt from council tax particularly for properties occupied solely by students (total exempt properties were 7,647 now 8,504 of which student exemptions were 3,865 now 4,346).
 - An increased number of properties qualifying for a 25% discount (was 46,773 now 47,222).
 - Partially offsetting the above are 284 new properties and 82 fewer second homes.
- 3.6 The reduction in the tax base has not been as high as forecast in the budget update report to the December 2011 Cabinet meeting which is partly due to new properties exceeding the forecast growth in student exemptions. This means the council has £242,000 more resources than had been anticipated in that report which will be built into budget proposals in the February 2012 Cabinet report for the revenue budget and council tax.

4. CONSULTATION

- 4.1 There are regular meetings between Strategic Finance and Revenues to discuss the collection performance, monthly movements in tax base and the rest for them as well as 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 2012/13 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: Heather Bentley

Date: 21 December 2011

Legal Implications:

- 5.2 Under section 67 of the Local Government Finance Act 1992, calculating an amount for the tax-setting base "T" is a matter solely for the local authority. However, it is not a function reserved to 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.

Lawyer Consulted: Oliver Dixon

Date: 5 January 2012

Equalities Implications:

- 5.3 The revenues service is covered by an existing equalities impact assessment.

Sustainability Implications:

- 5.4 None.

Crime & Disorder Implications:

- 5.5 None.

Risk & Opportunity Management Implications:

- 5.6 The effectiveness of these proposals will be closely monitored throughout the year.

Corporate / Citywide Implications:

5.7 The proposed increase in collection rate will add to the resources available to fund the City Council's budget.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 The calculation of the council tax base is determined largely by regulation. Options were considered to increase the collection rate and the cost effective options are included in this report.

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 2012/13 before 31st January 2012.

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 (October 2011) return for Brighton & Hove City Council