

Subject: Council Tax Base 2010/11
Date of Meeting: 14 January 2010
Report of: Director of Finance & Resources
Contact Officer: Name: Mark Ireland Tel: 29-1240
E-mail: Mark.ireland@brighton-hove.gov.uk
Key Decision: Yes Forward Plan No: CAB12572
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 2010/11 before 31 January 2010.
- 1.3 The purpose of this report is for Members to agree the tax base calculation for 2010/11.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves this report for the calculation of the council's tax base for the year 2010/11.
- 2.2 That Cabinet agrees that the Collection Rate remains at 98.1%.
- 2.3 That Cabinet notes that the proposed tax base will raise approximately £1.1m additional resources in 2010/11 that were not factored into the December Budget Update report.
- 2.4 That Cabinet 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 2010/11 shall be as follows:
 - For Brighton and Hove whole – 94,511.05 (as detailed in appendix 1)
 - For the Royal Crescent Enclosure Committee – 30.63 (as detailed in appendix 2)
 - For the Hanover Crescent Enclosure Committee – 39.98 (as detailed in appendix 3)
 - For the Marine Square Enclosure Committee – 79.26 (as detailed in appendix 4)
 - For the Parish of Rottingdean – 1,507.30 (as detailed in appendix 5)

2.5 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 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 2010/11 which will ultimately be paid.

3.4 The budget update report to the July Cabinet meeting assumed that the tax base for 2010/11 would be 1% higher than the tax base for the current year mainly due to higher than anticipated new properties being completed in 2009/10. The current council tax register and predicted future changes to data now shows that there are significant improvement to the level of the 2010/11 tax base. The main changes are:

- The number of homes on the council tax register as at the 30 November has already exceeded the projected number for the end of this financial year.
- There are 620 new properties due to be completed in the next few months which could generate approximately £0.7m additional revenue. The bulk of these new homes are 200 flats on the Brighton Station site and a further 200 flats on the Old Butlins site in Saltdean. The balance comes from a wide range of smaller developments across the city including New Church Road, Vallance Gardens and The Drive in Hove and York Place and Tichbourne Street in Central Brighton.
- The number of second homes has reduced by 200 or 10% probably as a result of the recession, although the impact is relatively small as second homes only receive a 10% discount.
- As anticipated the number of properties occupied solely by students and therefore exempt from council tax continues to rise. An increase of 250 exempt properties is expected bringing the total to just under 4,000 across the city.

3.5 Proposals contained within the Finance & Resources budget strategy to Cabinet on the 9 December including improving council tax collection by using an external firm to challenge and review single person discounts. The reduction in

single person discounts has been assumed to be 2.5% and is projected to deliver an additional £0.275m council tax income.

- 3.6 The tax base proposed for 2010/11 is 94,511.05, an increase of 2.2% from the 2009/10 tax base of 92,511.63. The improvement in the tax base will generate approximately £1.1m of additional resources not factored into the Budget Update report to the December Cabinet meeting. The allocation of these additional resources will therefore be considered as part of the final budget package in February. Current indications are that these resources may be required to offset increased budget pressures (for example on learning disability budgets) or further reductions in specific grants.

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 2010/11 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: 18/12/09

Legal Implications:

- 5.2 Under section 67 of the Local Government Finance Act 1992, calculating an amount for "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: 22/12/09

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 2010/11 before 31 January 2010.

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

None.

Background Documents

1. CTB return for Brighton & Hove City Council 2010/11