

Agenda Item No: 6

Report to: Cabinet

Date of Meeting: 4 January 2016

Report Title: Council Tax Base 2016-17

Report By: Peter Grace
Assistant Director - Financial Services and Revenues

Purpose of Report

To agree the calculation of the Tax Base for the purpose of setting the Council Tax for 2016-17

Recommendation(s)

- 1. Cabinet agree that the Council Tax Base for the year 2016-17 shall be 24,678.**
- 2. Cabinet agree that in future years the determination of the Council Tax Base is determined each year by the Chief Financial Officer (Currently the Assistant Director - Financial Services and Revenues)**

Reasons for Recommendations

Setting the Council Tax Base is the first step in determining the Council Tax for 2016-17. The Tax Base has to be determined by 31 January of each year.

Introduction

1. The Council is required to inform East Sussex County Council, the East Sussex Fire Authority and the Police and Crime Commissioner by 31 January 2016 of its Tax Base for the purpose of setting the Council Tax.
2. This report sets out the calculation of the Tax Base for tax setting purposes and Cabinet is requested to agree the calculation.

Calculation of the Tax Base

3. The Tax Base is calculated by applying the formula:-

$$A \times B$$

where

A is the total of the relevant amounts for each of the valuation bands for the year, and

B is the authority's estimate of its collection rate for the year.

4. Appendix A sets out the calculation required to determine the total of the relevant amounts, i.e. A above.
5. The collection rate, i.e. B above, for Council Tax for 2015-16 was set at 96.5% thereby allowing 3.5% for non-collection. This collection rate is expected to increase marginally and a rate of 96.8% is estimated. Should the collection rate ultimately prove to be better than the estimate, any surpluses will effectively be used to support the cost of providing services in future years and thus help to minimise the call on the Council taxpayer. Conversely, any deficit could add to Council Tax bills in future years.

The Tax Base for 2016-17 would therefore be:-

$$25,493.5 \times 96.8\% = 24,678$$

For every £1 of Council Tax at Band D level, therefore, it is anticipated that £24,678 will be collected. The equivalent figure for 2015/16 is £24,281.

Future Determinations of Council Tax

6. East Sussex County Council are looking to set their budget in November next year and as such there would be insufficient time to determine the taxbase in the normal way.
7. Section 84 of the Local Government Act 2003 allows the calculation or determination to be to be delegated to a committee or an officer of the Council. The

Council is able to delegate this determination to the Chief Financial officer should it so choose – and other Councils do so.

Policy implications

8. Setting the Tax Base is the first formal stage of the Council Tax setting process for 2016-17. The actual Council Tax charge will be determined by Council on the 24 February 2016.

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti Poverty	No

Background Information

Appendix A - Calculation of relevant amounts to determine Tax Base

Officers to Contact

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