

Agenda Item No: 7

Report to: Cabinet

Date of Meeting: 5 January 2015

Report Title: Council Tax Base 2015-16

Report By: Peter Grace
Head of Finance

Purpose of Report

To agree the calculation of the Tax Base for the purpose of setting the Council Tax for 2015-16

Recommendation(s)

- 1. Cabinet agree that the Council Tax Base for the year 2015-16 shall be 24,281.**

Reasons for Recommendations

Setting the Council Tax Base is the first step in determining the Council Tax for 2015-16. 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 2015 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 2014-15 was set at 96.5% thereby allowing 3.5% for non-collection. This collection rate is being achieved and will be saved for 2015-16. 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.
6. The Tax Base for 2015-16 would therefore be:-

$$25,161.3 \times 96.5\% = 24,281$$

For every £1 of Council Tax at Band D level, therefore, it is anticipated that £24,281 will be collected. The equivalent figure for 2014/15 is £23,733

Policy implications

7. Setting the Tax Base is the first formal stage of the Council Tax setting process for 2015-16. The actual Council Tax charge will be determined by Council on the 25 February 2015.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

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

Background Information

Appendix A - Calculation of relevant amounts to determine Tax Base

Officers to Contact

Peter Grace
pgrace@hastings.gov.uk

Alan Mitchell
amitchell@hastings.gov.uk
01424 451520

