

**Council Cabinet  
10 January 2024**



Report sponsors:

Councillor Baggy Shanker, Leader of the Council  
and Cabinet Member for Strategy, Governance  
and Finance

Alison Parkin Director of Finance and Section  
151 Officer

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Manager, Local Taxation

## **ITEM 8**

### **Council Tax Base for 2024/25**

#### **Purpose**

- 1.1 The Council has a legal requirement to calculate a Council Tax base for each financial year and to notify its Council Tax base to both The Police and Crime Commissioner for Derbyshire and Derbyshire Fire & Rescue Authority. The Council Tax base must be calculated between 1 December and 31 January in the preceding financial year and notified to The Police and Crime Commissioner for Derbyshire and Derbyshire Fire & Rescue Authority by 31 January of the preceding financial year.
- 1.2 The Council Tax base is an estimated figure of the number of domestic properties expressed in terms of 'band D' equivalents in the Council's area during the financial year concerned. It is used to determine a headline charge for band D properties in the city. Charges for other bands are calculated as defined fractions of the headline charge.
- 1.3 The proposed Council Tax base for 2024/25 is 71,844.12 band D equivalent properties compared with the 2023/4 Council Tax base of 71,038.69.

#### **Recommendations**

- 2.1 To approve the Council Tax base for the year 2024/5 as 71,844.12 band D equivalent properties, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012/2914).
- 2.2 That in accordance with the methodology and estimates shown at Appendix 1, Cabinet recommends to Council to approve this calculation, at the Council meeting on 17 January 2024.

## **Reasons**

- 3.1 Agreeing the Council Tax base is the first step in the process of setting the Council Tax to be collected in 2024/25 and is an essential part of establishing the 2024/25 budget.

## **Supporting information**

- 4.1 The calculation of the Council Tax base for the city is a key stage in the budget setting process and will form the basis for the Council Tax charge for the Council's Council Taxpayers for 2024/25. The Council Tax base must be notified to The Police and Crime Commissioner for Derbyshire and Derbyshire Fire & Rescue Authority by 31 January 2024, for them to set their precept for Council Taxpayers in Derbyshire.
- 4.2 The Council Tax base is an estimated figure of the number of domestic properties in terms of band D equivalents in the Council's area during the year. It is used to determine a headline charge for band D. Charges for other bands are calculated as defined fractions of the headline charge.
- 4.3 By law, the Council must calculate its Council Tax base for 2024/25 by no later than 31 January 2024.
- 4.4 The proposed tax base for 2024/25 is 71,844.12 band D equivalent properties and has been determined in accordance with the calculation shown at Appendix 1.
- 4.5 A proposed tax base of 71,844.12 band D equivalents represents an increase of 657.91 band D equivalents compared to last year. This increase is predominantly as a result on an increase in the number of dwellings within the city, together with a prudent estimate of the increase in the tax base for those domestic dwellings already completed but awaiting an official banding from the Valuation Office Agency and those expected to be completed between 1 December 2023 and 31 March 2025.
- 4.6 The tax base for 2024/25 assumes a collection rate of 97.4%. This takes account of the potential impact of the cost-of-living crisis and the other national and global issues currently being faced. A collection rate of 97.4% represents a realistic assessment of the amount of Council Tax, charged for the 2024/25 financial year, that will be collected over the three-year period covered by the Council's Medium Term Financial Plan.

## **Public/stakeholder engagement**

- 5.1 The calculation of the Council's Council Tax base is a statutory function. There has been no public or stakeholder engagement in determining it.

## Other options

- 6.1 The Council has a statutory duty to set a Council Tax base.

## Financial and value for money issues

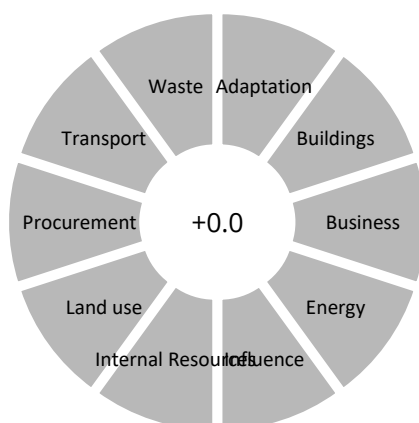
- 7.1 The estimated Council Tax base for 2024/25 of 71,844.12 compares with 71,038.69 used for 2023/24 tax setting purposes.

## Legal implications

- 8.1 The Council is required to calculate its tax base under the Local Government Finance Act 1993, Section 33(1), and The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (S1 2012/2914). The Council has a duty to notify The Police and Crime Commissioner for Derbyshire and Derbyshire Fire & Rescue Authority of its Council Tax base by 31 January 2024.

## Climate implications

9.1



- 9.2 None with this report

## Socio-economic implications

- 10.1 None with this report

## Other significant implications

- 11.1 None with this report.

This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal Finance Service Director(s)</b>	Olu Idowu, Head of Legal Services	14 December 2023
	Toni Nash, Head of Finance	
	Alison Parkin, Director of Finance & Section 151 Officer	
<b>Other(s)</b>	Lee Haynes, Head of Information, Transformation and Application Support.	14 December 2023
	Liz Moore, Head of HR	15 December 2023

<b>Background papers:</b>	
<b>List of appendices:</b>	Appendix1 Council Tax Base for 2024/25

### Council Tax Base for 2024/25 – calculation of relevant amounts expressed as band D equivalents

Description	Band D Equivalent
Derby City Council tax base as at 30 November 2023 (note 1)	80,071.10
Less reduction from Council Tax Support Scheme (note 2)	-6,676.96
Add increase for other future changes (note 3)	367.79
Tax Base prior to collection rate factor	73,761.93
Reduction in Tax Base to take account of collection rate at 97.4% (note 4)	1,917.81
<b>Derby City Council Tax Base for 2024/25</b>	<b><u>71,844.12</u></b>

### Notes

1. This figure is determined by running reports from the Council Tax core business system (Academy) as at close of business 30 November 2023.
2. Council Tax Support expenditure as at 30 November 2023 together with any change for estimated future changes.
3. This is a prudent estimate of the increase in the tax base for those domestic dwellings already completed but awaiting an official banding from the Valuation Office Agency and those expected to be completed between 1 December 2023 and 31 March 2025.
4. 97.4% is a prudent collection rate for the period covered by the Council's Medium-Term Financial Plan.