

Council Tax 2016/17

SUMMARY

- 1.1 At its meeting on 20 January 2016, the Council approved a net budget requirement of £219,052,385 for 2016/17 and agreed to increase the Council's council tax by 3.99%, including a 2% increase for the new Adult Social Care precept.
- 1.2 Under the Localism Act 2011 the Council, as a billing authority, is required to calculate its council tax requirement for the year. Derby City Council's council tax requirement has been calculated as £80,541,431.
- 1.3 This report sets out the Council's council tax requirement and the total council tax for Derby City residents for 2016/17 including the precepts for Derbyshire Police and Crime Commissioner and Derbyshire Fire Authority. Details of the changes in council tax levels set by these two organisations are set out in paragraph 4.4.
- 1.4 The Council has now received details of its final financial settlement for 2016/17 from central government which require the budget to be updated.

RECOMMENDATION

- 2.1 To note the final funding settlement and grant conformation was higher than anticipated by £172,351 in 2016/17 and £174,524 in 2017/18. This additional funding reduces the overall reserve requirement and will be transferred to the Budget Risk reserve for future consideration. Revised budget summaries for these 2 years are included in appendix 3.
- 2.2 To note the budget requirement for Derby City Council for 2016/17 of £219,052,385 was approved by Council in January 2016. Following receipt of the final government settlement and conformation of grant income the revised budget requirement is £219,224,736. This change in budget requirement does not effect the council tax calculation.
- 2.3 To recommend that Council approves the Council Tax requirement for Derby City Council for 2016/17 of £80,541,431 in line with the detailed calculation presented in Appendix 2.
- 2.4 To recommend that Council confirms the following amounts for the year 2016/17, which are consistent with the revised net budget requirement, in accordance with Sections 31A (1) of the Local Government Finance Act 1992 as amended by the

Localism Act 2011:

- a. £661,088,315 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f).
- b. £580,546,884 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
- c. £80,541,431 as its Council Tax requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act.
- d. £1,236.47 as the basic amount of its Council Tax for the year, being the amount at (c) above, divided by the amount at 4.1 below, calculated by the Council, in accordance with Section 31B of the Act.
- e. for the following valuation bands:

A	£824.31	E	£1,511.24
B	£961.70	F	£1,786.01
C	£1,099.08	G	£2,060.78
D	£1,236.47	H	£2,472.94

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

- 2.5 To note that for the year 2016/17, Derbyshire Police and Crime Commissioner has stated the following in a precept to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in valuation band:

A	£118.05	E	£216.42
B	£137.72	F	£255.77
C	£157.40	G	£295.12
D	£177.07	H	£354.14

- 2.6 To note that for the year 2016/17, Derbyshire Fire Authority has stated the following in a precept to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in valuation band:

A	£47.45	E	£87.00
B	£55.36	F	£102.82
C	£63.27	G	£118.63
D	£71.18	H	£142.36

- 2.7 To recommend that Council sets the following amounts as the amounts of council tax for the year 2016/17 for each of the categories of dwellings shown below, being the aggregate in each case of the amounts in 2.4, 2.5 and 2.6, in accordance with Section 30(2) of the Local Government Finance Act 1992:

All dwellings in valuation band:

A	£989.81	E	£1,814.66
B	£1,154.78	F	£2,144.60
C	£1,319.75	G	£2,474.53
D	£1,484.72	H	£2,969.44

- 2.8 To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.

REASONS FOR RECOMMENDATION

- 3.1 As a billing authority, the Council has a legal obligation to set an amount of council tax for each financial year and each category of dwellings in its area, as prescribed in the Local Government Finance Act 1992, as amended by the Localism Act 2011.

SUPPORTING INFORMATION

- 4.1 At its meeting on 20 January, the Council calculated the Council's Tax Base for the year 2016/17 as 65,138.20 equivalent band D properties, in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012).
- 4.2 At the 20 January meeting, the Council agreed the calculation of its council tax amounts for 2016/17. These amounts have been calculated in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011, and are set out for confirmation in paragraph 2.4(e) above.
- 4.3 Council approved the budget requirement for Derby City Council for 2016/17 of £219,052,385 on 20 January 2016, subject to confirmation of the final Local Government Settlement which was expected in February 2016. Final settlement has now been received and has resulted in a revised budget requirement of £219,224,736. All changes arising from the final settlement have been dealt with within the Council's agreed Council Tax Requirement and will therefore not impact on the Council's anticipated Council Tax levels described in the January 2016 report.
- 4.4 Under the Local Government Finance Act 1992, the Council must set an amount of council tax by taking the aggregate of the amount which has been calculated for the Council and any amounts that have been calculated in precepts issued to the Council by major precepting authorities. The Council has two major precepting authorities, Derbyshire Police and Crime Commissioner and Derbyshire Fire Authority. Changes to Council Tax levels of 1.99% and 1.98% have been applied by these two organisations respectively.
- 4.5 The aggregate council tax amounts by valuation band, including that of the Council and both major precepting bodies, are set out for approval in paragraphs 2.4 to 2.7 above.

OTHER OPTIONS CONSIDERED

- 5.1 No other options considered. The Council has a statutory duty under the Local Government Finance Act 1992 to set an amount of council tax for the year 2016/17.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Martyn Marples, Director of Finance and Procurement
For more information contact: Background papers: List of appendices:	Mark Nash, Corporate Group Accountant Tel: 01332 643364 Email: mark.nash@derby.gov.uk Reports Presented to Full Council 20 January 2016: <ul style="list-style-type: none">• General Fund Revenue Budget 2016/17• Council Tax Base for 2016/17• Capital Budget 2016/17• Report on the Robustness of Estimates and on the Adequacy of Reserves 2016/17 Appendix 1 – Implications Appendix 2 – Derby City Council council tax calculation 2016/17 Appendix 3 – Revised Overall Summary by Directorate

IMPLICATIONS

Financial and Value for Money

- 1.1 As described in the report

Legal

- 2.1 Under the Local Government Finance Act 1992 as revised by the Localism Act 2011, the Council is required to set an amount of council tax for each financial year and each category of dwellings in its area.

Personnel

- 3.1 None directly arising

IT

- 4.1 None directly arising.

Equalities Impact

- 5.1 None directly arising

Health and Safety

- 6.1 None directly arising

Environmental Sustainability

- 7.1 None directly arising

Property and Asset Management

- 8.1 None directly arising

Risk Management

- 9.1 None directly arising

Corporate objectives and priorities for change

10.1 None directly arising

Appendix 2

COUNCIL TAX CALCULATON 2016/17

Derby City Council Budget Requirement 2016/17 **£219,224,736**

Retained Business Rates	£45,250,473
Business Rates Top Up Grant	£13,269,733
Revenue Support Grant	£34,615,850
Collection Fund Surplus – Council Tax	£1,021,488
Other Specific Grants	£44,525,761
	<u>£138,683,305</u>

Council Tax Requirement **R** **£80,541,431**

Tax Base for Tax Setting (Band D) **T** 65,138.20

Basic Amount of Council Tax **R / T** **£1,236.47**

Derby

Band A – (Disabled)	5/9	686.93
Band A	6/9	824.31
Band B	7/9	961.70
Band C	8/9	1,099.08
Band D	9/9	1,236.47
Band E	11/9	1,511.24
Band F	13/9	1,786.01
Band G	15/9	2,060.78
Band H	18/9	2,472.94

Council Tax 2015/16 **£1,189.03**

Increase Band D **£47.44**

% Increase Band D **3.99%**

Appendix 3a

Revised Overall Summary By Directorate – Revenue Budget 2016/2017

SERVICE ACTIVITY	Controllable 2015/16 Base Budget (restated) £000's	Budget Changes			Controllable 2016/17 Budget £000's
		Inflation £000's	Pressures £000's	Savings £000's	
People Services	137,353	2,111	2,922	(5,758)	136,628
Communities and Place	46,546	474	550	(5,453)	42,117
Organisation and Governance	46,149	365	5,926	(7,798)	44,642
Total Directorate Budgets	230,048	2,950	9,398	(19,009)	223,387
Less transfer with reserves:					
From service reserves	(1,475)				0
From corporate reserves	(593)				(4,162)
Net Budget Requirement	227,980				219,225
Funded By:					
Retained Business Rates	(42,929)				(45,250)
Business Rates Top Up Grants	(13,160)				(13,270)
Revenue Support Grant	(44,930)				(34,616)
Prior Year Collection Fund (Surplus) or Deficit	(5,336)				(1,021)
Income raised from Council Tax	(75,195)				(80,541)
Specific Grants	(46,430)				(44,527)
Total Resources	(227,980)				(219,225)

Appendix 3b

Revised Overall Summary By Directorate – Revenue Budget 2017/2018

SERVICE ACTIVITY	Controllable 2016/17 Base Budget £000's	Budget Changes			Controllable 2017/18 Budget £000's
		Inflation £000's	Pressures £000's	Savings £000's	
People Services	136,628	2,154	2,500	(4,401)	136,881
Communities and Place	42,117	324	0	(3,321)	39,120
Organisation and Governance	44,642	368	1,170	(2,840)	43,340
Total Directorate Budgets	223,387	2,846	3,670	(10,562)	219,341
Less transfer with reserves:					
From service reserves	0				0
From corporate reserves	(4,162)				(5,634)
Net Budget Requirement	219,225				213,707
Funded By:					
Retained Business Rates	(45,250)				(46,372)
Business Rates Top Up Grants	(13,270)				(13,531)
Revenue Support Grant	(34,616)				(25,203)
Prior Year Collection Fund (Surplus) or Deficit	(1,021)				0
Income raised from Council Tax	(80,541)				(84,270)
Specific Grants	(44,527)				(44,331)
Total Resources	(219,225)				(213,707)