



Council Cabinet
16 January 2019

ITEM 9

Report sponsor: Don McLure, Strategic Director
of Corporate Resources
Report author: John Massey, Head of
Revenues, Benefits and Exchequer Services

Council Tax Base for 2019/20

Purpose

- 1.1 The Council has to calculate its Council Tax base for 2019/20 as a means of raising Council Tax income for the 2019/20 financial year from Derby Council Tax payers.
- 1.2 The 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 2019/20 is 68,679.00 band D equivalent properties compared with the 2018/19 Council Tax base of 67,610.42. This reflects an increase in the number of domestic dwellings within the city, reduced losses to the tax base as a result of Council Tax Support awards, a reduced number of single person discounts awarded and an estimate of the number of newly built homes between 1 December 2018 and 31 March 2020.
- 1.4 The increase in the tax base will result in more Council Tax being collectable for the 2019/20 financial year.

Recommendations

- 2.1 To approve the Council Tax base for the year 2019/20 as 68,679.00 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 23 January 2019.

Reason

- 3.1 Agreeing the Council Tax base is the first step in the process of setting the Council Tax to be collected in 2019/20 and is an essential part of establishing the 2019/20 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 Tax payers for 2019/20. The tax base has to be notified to The Police and Crime Commissioner for Derbyshire and Derbyshire Fire & Rescue Authority by 31 January 2019 so that they can set their precept for Council Tax payers in Derbyshire.
- 4.2 The tax base is an estimated figure of the number of domestic properties in terms of band D 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 2019/20 by no later than 31 January 2019.
- 4.4 The proposed tax base for 2019/20 is 68,679.00 band D equivalent properties and has been determined in accordance with the calculation shown at Appendix 1.
- 4.5 The tax base is a key factor in determining how much Council Tax will be raised for a particular financial year and the increase set out in this report will mean that more Council Tax will be collected for the 2019/20 financial year. The Council will continue to operate a robust recovery regime and use all the legal powers it has to recover Council Tax outstanding and therefore a prudent collection rate of 98.2% has been used when calculating the tax base.

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 2019/20 of 68,679.00 compares with 67,610.42 used for 2018/19 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 2019.

Other significant implications

- 9.1 None.

Appendix 1

Council Tax Base for 2019/20 – calculation of relevant amounts

Description	Band D Equivalent
Derby City Council tax base as at 30 November 2018 expressed as band D equivalents (note 1)	77,413.20
Less reduction from Council Tax Support Scheme (CTSS) (note 2)	-7,874.13
Less collection losses associated with Technical Reform empty property charges for 2019/20 (note 3)	-260.95
Add reduction in single person discount awards across the city (note 4)	345.65
Add increase for other future changes (note 5)	314.11
Tax Base prior to collection rate factor	69,937.88
Reduction in Tax Base to take account of collection rate at 98.2% (note 6)	-1,258.88
Derby City Council Tax Base for 2019/20	<u>68,679.00</u>

Notes

1. This figure is determined by running reports from the Council Tax core business system (Academy) as at close of play 30 November 2018.
2. Council Tax Support expenditure as at 30 November 2018 plus an estimated increase due to changes in the 2018/19 scheme.
3. Takes account of lower collection rates for some empty properties charged full or at a premium rate under Technical Reform freedoms.
4. Takes account of a lower number of single person discount awards across the city resulting from a review of all current awards.
5. This is an estimate of newly built dwellings for the period 1 December 2018 to 31 March 2020, converted to band D equivalents.
6. 98.2% is a prudent collection rate.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu	13 December 2018
Finance	Toni Nash, Head of Finance	19 December 2018
	Elly Tomlinson, Principal Accountant	19 December 2018
Service Director(s)	Don McLure, Strategic Director of Corporate Resources	19 December 2018
Report sponsor	Don McLure, Strategic Director of Corporate Resources	19 December 2018
Other(s)	Lynda Innocent, Head of Information Support Software	13 December 2018
	Liz Moore, Head of HR	