



Derby City Council

COUNCIL
5 March 2014

DOCUMENT 10a

Report of the Cabinet Member for Business,
Finance and Democracy

Council Tax 2014/15

SUMMARY

- 1.1 At its meeting on 29 January 2014, the Council approved a net budget requirement of £217,929,416 for 2014/15 and agreed to increase the Council's council tax by 1.85%.
- 1.2 The Council has now received full details of its final financial settlement for 2014/15 from central government which require the budget to be updated.
- 1.3 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 £72,770,013.
- 1.4 This report sets out the Council's Council Tax requirement and the total Council Tax for Derby City residents for 2014/15 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.

RECOMMENDATION

- 2.1 To note the budget requirement for Derby City Council for 2014/15 of £217,929,416 as approved by Council in January 2014.
- 2.2 To note the Government's funding settlement resulted in a net increase of £11,000 and recommend that this amount is transferred to the Corporate Contingency.
- 2.3 To note that the Council has now completed and returned its estimation of collectable business rates through the NNDR1 return. To recommend that the change in retained business rate income is reflected as a reduced use of reserves in the 2014/15 revenue budget.
- 2.4 To recommend that Council approves the Council Tax requirement for Derby City Council for 2014/15 of £72,770,013 in line with the detailed calculation presented in Appendix 2.
- 2.5 To recommend that Council confirms the following amounts for the year 2014/15, which are consistent with the net budget requirement agreed by the Council at its meeting on 29 January, in accordance with Sections 31A (1) of the Local Government Finance Act 1992 as amended by the Localism Act 2011:

- a. £570,149,525 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e).
- b. (£351,866,462) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
- c. £218,283,063 as its budget 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 32(4) of the Act.
- d. £145,513,050 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, business rates top-up grant, revenue support grant, and additional corporate government grants
- e. £1,165.83 as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at 4.1 below, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

| | £ | | £ |
|---|----------|---|----------|
| A | 777.22 | E | 1,424.90 |
| B | 906.76 | F | 1,683.98 |
| C | 1,036.29 | G | 1,943.05 |
| D | 1,165.83 | H | 2,331.66 |

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 (e) 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.

- 2.6 To note that for the year 2014/15, 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 | 113.48 | E | 208.05 |
| B | 132.39 | F | 245.87 |
| C | 151.31 | G | 283.70 |
| D | 170.22 | H | 340.44 |

- 2.7 To note that for the year 2014/15, 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 | 45.63 | E | 83.66 |
| B | 53.24 | F | 98.87 |
| C | 60.84 | G | 114.08 |
| D | 68.45 | H | 136.90 |

- 2.8 To recommend that Council sets the following amounts as the amounts of Council Tax for the year 2014/15 for each of the categories of dwellings shown below, being the aggregate in each case of the amounts in 2.3, 2.4 and 2.5, in accordance with Section 30(2) of the Local Government Finance Act 1992,

All dwellings in Valuation Band:

| | £ | | £ |
|---|----------|---|----------|
| A | 936.33 | E | 1,716.61 |
| B | 1,092.39 | F | 2,028.72 |
| C | 1,248.44 | G | 2,340.83 |
| D | 1,404.50 | H | 2,809.00 |

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

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| REASONS FOR RECOMMENDATION |
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- 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, and associated Regulations.



Derby City Council

COUNCIL CABINET

19 March 2014

Report of the Strategic Director for Resources

SUPPORTING INFORMATION

- 4.1 At its meeting on 29 January, the Council calculated the Council's Tax Base for the year 2014/15 as 62,419.06 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 29 January meeting, the Council agreed the calculation of its council tax amounts for 2014/15. 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 2.3(e) above.
- 4.3 Council approved the budget requirement for Derby City Council for 2014/15 of £217,929,416 on 29 January 2014, subject to confirmation of the final Local Government Settlement which was expected in February 2014. Full final settlement has now been received and 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 2014 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 issues 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 1.96% and 1.91% 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 paragraph 2.6 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 2014/15.

This report has been approved by the following officers:

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| 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 29 January 2014: <ul style="list-style-type: none"> • General Fund Revenue Budget 2014/15 • Council Tax Base for 2014/15 • Capital Budget 2014/15 • Report on the Robustness of Estimates and on the Adequacy of Reserves 2014/15 Appendix 1 – Implications Appendix 2 – Derby City Council council tax calculation 2014/15 |

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| IMPLICATIONS |
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Financial and Value for Money

- 1.1 As described in the report

Legal

- 2.1 Under the Local Government Finance Act 1992, the Council is required to set an amount of council tax for each financial year and each category of dwellings in its area. The amount of council tax is calculated in accordance with the detailed requirements set out in Section 30 of the Act.

Personnel

- 3.1 None directly arising

Equalities Impact

- 4.1 None directly arising

Health and Safety

- 5.1 None directly arising

Environmental Sustainability

- 6.1 None directly arising

Property and Asset Management

- 7.1 None directly arising

Risk Management

- 8.1 None directly arising

Corporate objectives and priorities for change

- 9.1 None directly arising

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| COUNCIL TAX STATUTORY CALCULATON 2014/15 |
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|--|----------|---------------------|
| Derby City Council Budget Requirement 2014/15 | R | £218,283,063 |
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| | | |
|-------------------------------|----------|---------------------|
| Retained Business Rates | | £40,951,061 |
| Business Rates Top Up Grant | | £12,913,315 |
| Revenue Support Grant | | £62,095,058 |
| Collection Fund Surplus – NDR | | £(2,044,562) |
| Other Specific Grants | | £31,598,178 |
| | P | £145,513,050 |

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|--------------------------------|---------------|--------------------|
| Council Tax Requirement | C= R-P | £72,770,013 |
|--------------------------------|---------------|--------------------|

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|-----------------------------------|----------|-----------|
| Tax Base for Tax Setting (Band D) | T | 62,419.06 |
|-----------------------------------|----------|-----------|

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|------------------------------------|--------------|------------------|
| Basic Amount of Council Tax | C / T | £1,165.83 |
|------------------------------------|--------------|------------------|

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| | | Derby |
| Band A – (Disabled) | 5/9 | 647.68 |
| Band A | 6/9 | 777.22 |
| Band B | 7/9 | 906.76 |
| Band C | 8/9 | 1,036.29 |
| Band D | 9/9 | 1,165.83 |
| Band E | 11/9 | 1,424.90 |
| Band F | 13/9 | 1,683.98 |
| Band G | 15/9 | 1,943.05 |
| Band H | 18/9 | 2,331.66 |

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|----------------------------|------------------|
| Council Tax 2013/14 | £1,144.63 |
|----------------------------|------------------|

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|-----------------------------------|------------------|
| Unadjusted Increase Band D | £1,165.83 |
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|-------------------------------------|--------------|
| Unadjusted % Increase Band D | 1.85% |
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