



Derby City Council

COUNCIL CABINET **21 January 2015**

Report of the Cabinet Member for Housing,
Finance and Welfare

ITEM 16

Council Tax Base for 2015/16

SUMMARY

- 1.1 The Council has to calculate its council tax base for 2015/16 as a means of raising council tax income for the 2015/16 financial year from Derby council tax payers.
- 1.2 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 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 Changes arising from the Government's Welfare Reform programme (specifically the replacing of council tax benefit with local council tax support) and the decision to give local authorities greater discretion over the reliefs from council tax available in respect of second homes and some empty properties will continue to have a significant impact on the Council's tax base.
- 1.4 The proposed council tax base for 2015/16 is 63,240.36 band D equivalent properties compared with the 2014/15 council tax base of 62,419.06. This represents an increase of 821.3 band D equivalent properties.

As well as taking into account the changes mentioned in paragraph 1.3, the tax base also includes a prudent estimate of the number of newly built homes between 1 December 2014 and 31 March 2016 that will add to the tax base.

RECOMMENDATION

- 2.1 To approve the council tax base for the year 2015/16 as 63,240.36 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 2, Cabinet recommends to approve this calculation to Council at their meeting on 28 January 2015.

REASONS FOR RECOMMENDATION

- 3.1 Agreeing the council tax base is the first step in the process of setting the council tax

to be collected in 2015/16 and is an essential part of establishing the 2015/16 budget.



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Report of the Chief Finance Officer

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 2015/16. The tax base has to be notified to Derbyshire Police Authority and Derbyshire Fire Authority by 31 January 2015 so that they can set their precept for all the 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 2015/16 by no later than 31 January 2015.
- 4.4 The tax base calculations are shown at Appendix 2, which shows our estimated tax base to be 64,861.91 band D equivalent properties. Applying the non-collection allowance of 2.5% to the estimated tax base gives a rounded band D equivalent tax base of 63,240.36 to two decimal places.

OTHER OPTIONS CONSIDERED

- 5.1 Setting the council tax base is a statutory duty.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Janie Berry Mark Nash Kath Gruber
For more information contact: Background papers: List of appendices:	John Massey 01332 643774 e-mail john.massey@derby.gcsx.gov.uk None Appendix 1 – Implications Appendix 2 - Council Tax Base for 2015/16 – calculation of relevant amounts

IMPLICATIONS

Financial and Value for Money

- 1.1 The estimated council tax base for 2015/16 of 63,240.36 compares with 62,419.06 used for 2014/15 tax setting purposes.

Legal

- 2.1 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 Derbyshire Police Authority and Derbyshire Fire Authority of its council tax base by 31 January 2015.

Personnel

- 3.1 None.

IT

- 4.1 None.

Equalities Impact

- 5.1 None.

Health and Safety

- 6.1 None.

Environmental Sustainability

- 7.1 None.

Property and Asset Management

- 8.1 None.

Risk Management

- 9.1 None.

Corporate objectives and priorities for change

- 10.1 This report is the first step in setting the council tax for the forthcoming financial year. As such, it is part of the income generating process for the Council. It therefore links to all the Council objectives, as the Council needs the income from council tax

to fund its activities.

Appendix 2

Council Tax Base for 2015/16 – calculation of relevant amounts

Description	Band D Equivalent
Derby City Council tax base as at 30 November expressed as band D equivalents (note 1)	75,926.90
Less reduction from Local Council Tax support scheme (LCTSS) (note 2)	-10,550.95
Less collection losses associated with Technical Reform empty property charges for 2015/16 (note 3)	-714.21
Add increase for other future changes	200.17
Tax Base prior to collection rate factor	64,861.91
Reduction in Tax Base to take account of collection rate at 97.5% (note 4)	-1621.55
Derby City Council Tax Base for 2015/16	<u>63,240.36</u>

Notes

1. This figure is a derived figure produced by running reports from the council tax core business system (Academy) as at close of play 30 November 2014.
2. Actual LCTSS expenditure as at 30th November 2014 plus £250,000 built in for growth, divided by 2014/15 band D charge (£14,818,810/£1404.50).
3. Takes account of lower collection rates for some empty properties charged full or at a premium rate under Technical Reform freedoms.
4. 97.5% is a prudent collection rate acknowledging the potential for non-collection of new council tax debts arising from introduction of LCTSS.