

Council Tax Base for 2009/10

SUMMARY

- 1.1 The Council has to calculate the 'Council Tax Base' for 2009/10 as a means of raising council tax income from Derby council tax payers.
- 1.2 The tax base is an estimated figure which equates to the effective number of domestic properties in terms of 'Band D' in the Council's area during the year. It is used to translate total council tax income requirements in 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 Due to the continued growth in the number of domestic properties over the past year, the Council Tax Base can be increased from 69854 to 70187.03 Band D equivalent properties.

RECOMMENDATION

- 2.1 That pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012), Cabinet agrees the council tax base for the year 2009/10 as 70187.03 band D equivalent properties be approved in accordance with the methodology and estimates shown at appendices 2 and 3, and that Council be recommended to approve the calculation at their meeting on 21 January 2009.

REASON 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 2009/10 and is an essential part of establishing the 2009/10 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 2009/10. The tax base has to also be notified to Derbyshire Police Authority and Derbyshire Fire Authority by 31 January 2009 so that they can set their precept for all the council tax payers in Derbyshire.
- 4.2 The Council has to calculate the 'Council Tax Base' for 2009/10 as a means of raising council tax income from Derby council tax payers. The tax base is an estimated figure which equates to the effective number of domestic properties in terms of Band D in the Council's area during the year. It is used as a divisor to translate total council tax income requirements in 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 2009/10 by no later than 31 January 2009.
- 4.4 Appendix 2 explains the statutory formulae which are used in the estimates and gives details of how the recommended tax base figure has been worked out. A prudent allowance for non-collection of 1.6% has been made as a best estimate in the context of current collection performance.
- 4.5 The tax base calculations are shown at appendix 3 which shows our estimated tax base to be 71328.28 Band D equivalent properties. This figure corresponds closely to the Government's projected tax base calculations for Derby for 2009/10 proposed Revenues Support Grant Settlement purposes of 71221.4 Band D equivalent properties. It is considered better to use our own calculations for the 2009/10 budget setting process, to reflect local knowledge and trends. Applying the non-collection allowance of 1.6% to the estimated tax base of 71328.28 gives a rounded Band D equivalent tax base of 70187.03.

OTHER OPTIONS CONSIDERED

- 5 Setting the Council Tax Base is a statutory duty.

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Background papers: None
List of appendices: Appendix 1 – Implications
Appendix 2 – Government's tax base methodology
Appendix 3 – Calculation of relevant amounts

IMPLICATIONS

Financial

- 1.1 The estimated council tax base for 2009/10 of 70187.03 compares with 69854 used for 2008/09 tax setting purposes. The increase is due in the main, to the continued growth in the number of domestic properties in the city over the past year.

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) (Amendment) (England) Regulations 2003. The Council has a duty to notify Derbyshire Police Authority and Derbyshire Fire Authority of its council tax base by 31 January 2009.

Personnel

- 3.1 None.

Equalities Impact

- 4.1 None.

Corporate priorities

- 5.1 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.