



Derby City Council

**Council Cabinet  
18 January 2017**

Report of the Cabinet Member for Policy and  
Strategic Services

# ITEM 9

## Council Tax Base for 2017/18

### SUMMARY

- 1.1 The Council has to calculate its council tax base for 2017/18 as a means of raising council tax income for the 2017/18 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 The proposed council tax base for 2017/18 is 66,574.07 band D equivalent properties compared with the 2016/17 council tax base of 65,138.20. This reflects an increase in the number of domestic dwellings within the city, an estimated reduction in the amount of council tax support awarded and an estimate of the number of newly built homes between 1 December 2016 and 31 March 2018.
- 1.4 The increase in the tax base will result in more council tax being collectable for the 2017/18 financial year.

### RECOMMENDATION

- 2.1 To approve the council tax base for the year 2017/18 as 66,574.07 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 Council to approve this calculation at the Council meeting on 25 January 2017.

### 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 2017/18 and is an essential part of establishing the 2017/18 budget.

<b>SUPPORTING INFORMATION</b>
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- 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 2017/18. The tax base has to be notified to The Police and Crime Commissioner for Derbyshire and Derbyshire Fire Authority by 31 January 2017 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 2017/18 by no later than 31 January 2017.
- 4.4 The tax base for 2017/18 is 66,574.07 band D equivalent properties and has been determined in accordance with the calculation shown at Appendix 2.
- 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 2017/18 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, taking account of the reduced level of council tax support for 2017/18.

<b>OTHER OPTIONS CONSIDERED</b>
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- 5.1 Setting the council tax base is a statutory duty.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Information Technology officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Olu Idowu – Head of Legal Services Toni Nash – Head of Financial Services David Cox – Head of Human Resources Lynda Innocent – Head of Information Software Support  John Massey – Head of Revenues, Benefits & Exchequer Services
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	John Massey 01332 643774 e-mail john.massey@derby.gcsx.gov.uk None Appendix 1 – Implications Appendix 2 - Council Tax Base for 2017/18 – calculation of relevant amounts

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The estimated council tax base for 2017/18 of 66,574.07 compares with 65,138.20 used for 2016/17 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 The Police and Crime Commissioner for Derbyshire and Derbyshire Fire Authority of its council tax base by 31 January 2017.

**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 2017/18 – calculation of relevant amounts

Description	Band D Equivalent
Derby City Council tax base as at 30 November 2016 expressed as band D equivalents (note 1)	76,587.90
Less reduction from council tax support scheme (CTSS) (note 2)	-8,586.31
Less collection losses associated with Technical Reform empty property charges for 2017/18 (note 3)	-513.89
Add increase for other future changes	306.67
Tax Base prior to collection rate factor	67,794.37
Reduction in Tax Base to take account of collection rate at 98.2% (note 4)	-1,220.30
<b>Derby City Council Tax Base for 2017/18</b>	<b><u>66,574.07</u></b>

### Notes

1. This figure is determined by running reports from the council tax core business system (Academy) as at close of play 30 November 2016.
2. Actual CTSS expenditure as at 30<sup>th</sup> November 2016 (£14,006,033) less an estimated reduction of £1,257,762 resulting from changes to the 2017/18 scheme divided by 2016/17 band D charge (£12,748,271/£1,484.72).
3. Takes account of lower collection rates for some empty properties charged full or at a premium rate under Technical Reform freedoms.
4. 98.2% is a prudent collection rate.