

## **Council Tax Base for 2016/17**

### **SUMMARY**

- 1.1 The Council has to calculate its council tax base for 2016/17 as a means of raising council tax income for the 2016/17 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 2016/17 is 65,138.20 band D equivalent properties compared with the 2015/16 council tax base of 63,240.36. This increase reflects a higher council tax collection rate used in the calculation, a reduction in the amount of council tax support awarded and an estimate of the number of newly built homes between 1 December 2015 and 31 March 2017.

### **RECOMMENDATION**

- 2.1 To approve the council tax base for the year 2016/17 as 65,138.20 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 28 January 2016.

### **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 2016/17 and is an essential part of establishing the 2016/17 budget.



Derby City Council

## **COUNCIL CABINET** **20 January 2016**

### **Report of the Director of Finance**

#### **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 2016/17. The tax base has to be notified to Derbyshire Police Authority and Derbyshire Fire Authority by 31 January 2016 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 2016/17 by no later than 31 January 2016.
- 4.4 The tax base for 2016/17 is 65,138.20 band D equivalent properties. This has been determined in accordance with the calculation shown at Appendix 2 and includes a non-collection factor of 1.5%.

#### **OTHER OPTIONS CONSIDERED**

- 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 Mark Nash/Andrew Jones  Lynda Innocent - Head of Information Software Support Martyn Marples – Director of Finance 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 <a href="mailto:john.massey@derby.gcsx.gov.uk">john.massey@derby.gcsx.gov.uk</a> None Appendix 1 – Implications Appendix 2 - Council Tax Base for 2016/17 – calculation of relevant amounts

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

- 1.1 The estimated council tax base for 2016/17 of 65,138.20 compares with 63,240.36 used for 2015/16 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 2016.

**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 2016/17 – calculation of relevant amounts

Description	Band D Equivalent
Derby City Council tax base as at 30 November 2015 expressed as band D equivalents (note 1)	76,107.70
Less reduction from Local Council Tax support scheme (LCTSS) (note 2)	-9,656.16
Less collection losses associated with Technical Reform empty property charges for 2016/17 (note 3)	-552.45
Add increase for other future changes	231.06
Tax Base prior to collection rate factor	66,130.15
Reduction in Tax Base to take account of collection rate at 98.5% (note 4)	-991.95
<b>Derby City Council Tax Base for 2016/17</b>	<b><u>65,138.20</u></b>

### 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 2015.
2. Actual LCTSS expenditure as at 30<sup>th</sup> November 2015 less a reduction of £250,000 for predicted reduction in LCTSS spend over the 2016/17 financial year, divided by 2015/16 band D charge (£13,831,874/£1,432.44).
3. Takes account of lower collection rates for some empty properties charged full or at a premium rate under Technical Reform freedoms.
4. 98.5% is a prudent collection rate.