

## **REPORT TO EXECUTIVE**

**Date of Meeting: 26 January 2016**

**Report of: Assistant Director Finance**

**Title: 2016/17 COUNCIL TAX BASE AND NNDR1**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function?**

Executive

#### **1. What is the report about?**

- 1.1 To set the 2016/17 Council Tax base in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.2 To seek approval that the Council's estimate of Business Rate Income (NNDR1) for the next financial year is delegated to the Assistant Director Finance.

#### **2. Recommendations:**

- 2.1 In accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Exeter City Council as its tax base for the year 2016/17 shall be 35,429.
- 2.1 That the section 151 Officer is delegated responsibility to approve the Council's NNDR1 return by 31 January 2016.

#### **3. Reasons for the recommendation:**

- 3.1 To ensure that the Council meets its statutory deadline for notifying Precepting Authorities and the Government by 31 January 2016.

#### **4. What are the resource implications including non financial resources.**

- 4.1 Both the Council Taxbase and the NNDR1 provide key information used to calculate the overall resources available to the Council, Government and Preceptors in the following financial year.

**5. Section 151 Officer comments:**

5.1 Approval of the report is a statutory requirement in respect of the Taxbase. There is an increase of 679 Band D equivalent properties compared to the 2015/16 Taxbase.

**6. What are the legal aspects?**

6.1 The requirement to set the Council Tax base is set out in the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

**7. Monitoring Officer's comments:**

7.1 This report raises no issues for the Monitoring Officer.

**8. Report details:**

**8.1 BACKGROUND**

8.1.1 In accordance with the requirements of the Local Government Finance Act, 1992, Exeter City Council as a billing authority will be issuing Council Tax bills to occupiers of property in March 2016, effective from 1 April.

8.1.2 As a first step to calculating the Council Tax itself, the City Council is required by legislation to determine a tax base by the 31 January for the following financial year.

8.1.3 Based on a valuation list received from the Valuation Officer, the calculation, in simple terms, involves three steps, namely :

- i. the determination of the number of chargeable dwellings;
- ii. an assessment of disregards, premiums and discounts, and
- iii. the equivalent number of band D properties and a collection rate.

8.1.4 The calculation of the Taxbase now includes the impact of the new Council Tax Support Scheme, which significantly reduces the Council's income from Council Tax. The Council Tax Support Scheme was initially approved by the Executive in December 2012 and has not been changed. In order to reflect the increased risk of non-recovery, which may result from the move to Local Council Tax Support, the Collection Rate has been reduced to 97% from 98% since introduction.

**8.2 COUNCIL TAX BASE FOR 2016/17**

8.2.1 The Council Tax Base for Exeter is set out in table 8.1 and in Appendix A. It is estimated that the equivalent number of Band D properties (Gross taxbase) for 2016/17 (including the reduction in dwellings owing to the Council Tax Support Scheme) will be 36,525, an increase of 700 over 2015/16.

- 8.2.2 To this figure the estimated collection rate of 97% for the year is applied, which results in a net Council Tax base of 35,429, an increase of 679 over the 2015/16 figure of 34,750.

**Table 3.1 – Taxbase 2016/17**

<b>Taxbase</b>	<b>2016/17 Gross Taxbase</b>	<b>2016/17 Net Taxbase (97%)</b>
Taxbase to be used in calculating the council tax for 2015/16	<b>36,525</b>	<b>35,429</b>

### 8.3 BUSINESS RATES RETENTION

- 8.3.1 Under the new Business Rates Retention funding, the Council has to provide DCLG with an estimate of its Business Rate Income for the forthcoming year. However due to the changes in the funding and the local/central share, DCLG require the estimate (completed on a NNDR1 form) to be compiled and formally submitted by January 31<sup>st</sup>. The Council must also share this information with Devon County Council and Devon and Somerset Fire and Rescue Service who are also affected. DCLG have stated that, in their view, the decision to approve the NNDR1 can be delegated to the section 151 Officer and this report seeks approval for such delegation as the figures have not yet been calculated (The Council requires an annual software update in order to calculate the NNDR1 form).

### 9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 The approval of the Taxbase enables the Council to calculate the budget available for the following financial year.

### 10. What risks are there and how can they be reduced?

- 10.1 Not applicable.

### 11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

- 11.1 Not applicable

### 12. Are there any other options?

- 12.1 Not applicable

#### **Assistant Director Finance**

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:

Democratic Services (Committees)

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