

REPORT TO EXECUTIVE

Date of Meeting: 14 January 2020

Report of: Chief Finance Officer
Title: Council Tax base and NNDR 1 2020/21

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 2020/21 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 Chief Finance Officer.

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 2020/21 shall be 37,348.
- 2.2 That the section 151 Officer is delegated responsibility to approve the Council's NNDR1 return by 31 January 2020.

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 2020.

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 360 Band D equivalent properties compared to the 2019/20 Taxbase.

6. What are the legal aspects?

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

In coming to decisions in relation to the revenue budget and the Council Tax the City Council and Councillors have the following legal duties, namely:-

- (a) The Council must act in accordance with its statutory duties and responsibilities.
- (b) The Council must act reasonably.
- (c) The Council must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.

7. Monitoring Officer's comments:

- 7.1 Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992 applies to this report where members are present at a meeting of the Council, the Executive or a Committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months.

In these circumstances, any such members shall at the meeting and as soon practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter.

It should be noted that such members are not debarred from speaking on these matters.

Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

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 2020, 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 includes the impact of the Council Tax Support Scheme, which significantly reduces the Council's income from Council Tax. 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 2020/21

- 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 2020/21 (including the reduction in dwellings owing to the Council Tax Support Scheme) will be 38,503 an increase of 371 over 2019/20.
- 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 37,348, an increase of 360 over the 2019/20 figure of 36,988.

Table 8.1 – Taxbase 2020/21

Taxbase	2020/21 Gross Taxbase	2020/21 Net Taxbase (97%)
Taxbase to be used in calculating the council tax for 2020/21	38,503	37,348

8.3 BUSINESS RATES RETENTION

- 8.3.1 Under the new Business Rates Retention funding, the Council has to provide MHCLG 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, MHCLG require the estimate (completed on a NNDR1 form) to be compiled and formally submitted by January 31st. The Council must also share this information with Devon County Council and Devon and Somerset Fire and Rescue Service who are also affected.
- 8.3.2 MHCLG 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. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 The report determines the taxbase for the whole City.

12. Are there any other options?

12.1 Not applicable.

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

Background papers used in compiling this report:-

None

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