

EXETER CITY COUNCIL

**EXECUTIVE
21 JANUARY 2014**

2014/15 COUNCIL TAX BASE AND NNDR1

1. PURPOSE OF REPORT

- 1.1 To set the 2014/15 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 and following years is delegated to the Assistant Director Finance.

2. BACKGROUND

- 2.1 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 2013, effective from 1 April.
- 2.2 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.
- 2.3 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.
- 2.4 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 but is then offset, in part, by a new Council Tax Support Grant. Additionally a number of technical changes have been made. The Council Tax Support Scheme and Technical Changes were approved by the Executive in December 2012. 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% last year.

3. COUNCIL TAX BASE FOR 2014/15

- 3.1 The Council Tax Base for Exeter is set out in table 3.1 and in Appendix A. It is estimated that the equivalent number of Band D properties (Gross taxbase) for 2014/15 (including the reduction in dwellings owing to the Council Tax Support Scheme) will be 35,406, an increase of 540 over 2013/14.

- 3.2 To this figure the estimated collection rate of 97% for the year is applied, which results in a net Council Tax base of 34,344, an increase of 524 over the 2013/14 figure of 33,820.

Table 3.1 – Taxbase 2014/15

Taxbase	2014/15 Gross Taxbase	2015/15 Net Taxbase (97%)
Taxbase to be used in calculating the council tax for 2014/15	35,406	34,344

4. BUSINESS RATES RETENTION

- 4.1 Under the new Business Rates Retention funding, the Council (as before) 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 31st. 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.

4. RECOMMENDATIONS

- 4.1 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 2014/15 shall be 34,344.
- 4.2 That the section 151 Officer is delegated responsibility to approve the Council's NNDR1 return by 31 January 2014.

ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling this report:

None