

## **REPORT TO EXECUTIVE**

Date of Meeting: 14 January 2024

Report of: Strategic Director for Corporate Resources

Title: Council Taxbase and NNDR 1 2025/26

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

No

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

Executive

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

1.1 To set the 2025/26 Council Tax base in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

2.2 To seek approval that the Council's estimate of Business Rate Income (NNDR1) for the next financial year is delegated to the Strategic Director for Corporate Resources and Section 151 Officer.

### **2. Recommendations:**

2.1 In accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Exeter City Council as its tax base for the year 2025/26 shall be £39,852.

2.2 That the Collection Fund Surplus of £1,305,121 be approved.

2.3 That the Section 151 Officer is delegated responsibility to approve the Council's NNDR1 return by 31 January 2025.

### **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 2025.

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

4.1 Both the Council Tax base 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 807 Band D equivalent properties compared to the 2024/25 Taxbase. The increase of 2.07% is above the anticipated forecast and reflects the increased premium being charged on second homes.

## **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 Council Tax Base) (England) Regulations 2012.

6.2 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 in its decision-making process; and
- c) the Council must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.

6.3 Section 106 of the Local Government Finance Act 1992 imposes restrictions on the voting rights of members present at a meeting of the Council, Executive or a Committee and at the time of the meeting they have an outstanding sum payable under the Council Tax provisions that has remained unpaid for at least two months. The provisions of section 106 prohibit these members from voting on any matter concerning the administration or enforcement of Council Tax. In these circumstances, any such members shall at the meeting and as soon as 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 these members are not debarred from speaking on the matter. Failure to comply with the provisions of section 106 is a criminal offence.

6.4 With regard to business rate income, billing authorities are required to estimate the amount of non-domestic rates that will be collected. By the end of January each year, the billing authority is required to revise its estimate of the rates income that will accrue for the year and to submit these to MHCLG.

6.5 The calculations and requirements for these estimates are set out in the Non-Domestic Rating (Rates Retention) Regulations 2013. The regulations provide the detailed framework for how the estimates should be calculated and reported in order to ensure that the process is consistent and transparent across all billing authorities.

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

7.1 Members will particularly note the provisions of section 106 of the Local Government Finance Act 1992 as set out in the legal aspects above.

## **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 2025, effective from 1 April 2025.

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.

## 8.2 COUNCIL TAX BASE FOR 2025/26

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 2025/26 (including the reduction in dwellings owing to the Council Tax Support Scheme) will be 40,874 an increase of 828 over 2024/25.

8.2.2 This estimated collection rate of 97.5% for the year is applied to the Gross Taxbase, which results in a net Council Tax base of 39,852, an increase of 807 over the 2024/25 figure of 39,045.

**Table 8.1 – Taxbase 2025/26**

<b>Taxbase</b>	<b>2025/26 Gross Taxbase</b>	<b>2025/26 Net Taxbase (97.5%)</b>
Taxbase to be used in calculating the council tax for 2025/26	<b>40,874</b>	<b>39,852</b>

8.2.3 The Collection Fund Surplus to be declared is £1,305,121 and will be split as follows:

	2024-25 TAX	2025-26 SHARE
EXETER CITY COUNCIL	£180.37	£103,692.47
DEVON FIRE & RESCUE SERVICE	£99.68	£57,304.79
DEVON COUNTY COUNCIL	£1,715.67	£986,317.30
DEVON AND CORNWALL POLICE	£274.50	£157,806.63
	<b>£2,270.22</b>	<b>£1,305,121</b>

## 8.3 BUSINESS RATES RETENTION

8.3.1 Under the 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 the report determines the taxbase for the whole City.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 None.

## **13. Are there any other options?**

13.1 Not applicable.

**Strategic Director for Corporate Resources, Dave Hodgson**

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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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