

CABINET	AGENDA ITEM No. 6
17 December 2018	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Peter Carpenter, Acting Corporate Director Resources	Tel. 452520

COUNCIL TAXBASE 2019/20 AND COLLECTION FUND DECLARATION 2018/19

R E C O M M E N D A T I O N S	
FROM : Corporate Director Resources	Deadline date : 30 November 2018
Cabinet is requested to:	
<ol style="list-style-type: none"> 1. Propose the calculation of the Council Tax Base for 2019/20 set at a level of 57,555.25 Band D equivalent properties based on the existing council tax support scheme of 30%; 2. Note the estimated position on the Collection Fund in respect of Council Tax as at 31 March 2019 being: <p style="text-align: center;">£0.243m surplus</p> 3. Note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2019 being: <p style="text-align: center;">£0.524m surplus</p> 4. Delegate to the Acting Corporate Director Resources authority for approving the final estimated position on the collection fund balance as at 31st March 2019 for both council tax and business rates. 	

1. ORIGIN OF REPORT

- 1.1 This report forms part of the preparation for setting the council's budget. It needs to be considered so that figures for the tax base and the Collection Fund balances for both council tax and business rates can be used in setting the council's overall budget and Council Tax and can be notified to other affected authorities within the statutory deadlines for the same purpose.

2. PURPOSE AND REASON FOR REPORT

- 2.1 This report is before Cabinet to consider under its delegated function No 3.2.7. 'to be responsible for the council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit'.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	Yes (Part of budget setting)	If Yes, date for relevant Cabinet Meeting	17 November 2018
Date for relevant Council Meeting	23 January 2019	Date for submission to Government department	31 January 2019 and 13 March 2019

4. INFORMATION RELEVANT TO DECISIONS REQUIRED

Council Tax Base Calculation 2019/20 (Annex A)

- 4.1 The Council Tax Base calculation is part of the budget process. The gross tax base for 2019/20 is estimated at 64397.42 Band D equivalents. This is reduced by 1.5% to allow any in year variation from the estimates (e.g. for properties not being built or occupied, additional discounts being available or for losses on collection), to give a net council tax base of 63,435.83, which is 1.5% more than the equivalent tax base for 2018/19 of 62,479.47.
- 4.2 A further reduction to the taxbase to reflect the changes to the funding of council tax benefits which came into effect for the first time in 2013/14 is necessary. The proposed tax base for 2019/20 has therefore reduced to 57,555.25 which compares to 56,259.29 for 2018/19 based upon the existing 30% scheme.
- 4.3 The figure of 57,555.25 Band D equivalents reflects the best estimate, based on the latest factual position on the current council tax support scheme of 30%.

Collection Fund

- 4.4 The collection fund is split into two sections; in respect of council tax and business rates and has separate calculations of the surplus/deficit at the year end. This is because prior to 2013/14 the total amount of business rates was transferred to the government whereas under the new system it is shared between the Council, the Fire Authority and the Government.
- 4.5 The collection fund as at 31 March 2019 in respect of council tax has been estimated to be in surplus by £0.243m from residential property growth and impact of measures following the localisation of council tax support from 2013/14 and therefore will be shared between the Council, the Police and the Fire authority in proportion to the band D council tax levels.
- 4.6 The collection fund surplus as at 31st March 2019 in respect of business rates has been estimated at £0.524m. The values are based on information as at 31st October and will be updated to December figures prior to submission of the National Non-Domestic Rates (NNDR1) form to be submitted to government by 31 January 2019. The NNDR1 form is used to inform the government and other relevant authorities of both the collection fund balance and the following year's business rate income. The surplus will be shared between the parties in the following proportions, Government 50%, Peterborough city council 49%, Cambridgeshire fire authority 1%.
- 4.7 Following the introduction of the new business rates system in April 2013 the Police and crime commissioner does not receive any business rates income but receives alternative funding directly from government.
- 4.8 The relevant share of both elements of the collection fund surplus/deficit calculation is used by each of the relevant bodies in setting its budget for the following year. The figures in this report are provided for information as the Acting Corporate Director of Resources will make the formal calculation for council tax on 15 January 2019 and notify the relevant bodies at that time and will return the final NNDR1 form by 31 January 2019.

5. CONSULTATION

- 5.1 Consultation is not required in making the calculations referred to in this report, however the council are in contact with the Police and Fire authority during the budget setting process.

6. ANTICIPATED OUTCOMES

- 6.1 That Cabinet proposes the calculation of the Council Tax Base, notes the position on the collection fund for both the Council Tax and Business Rates and delegates the final calculation of these balances to the Acting Corporate Director of Resources.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The Council Tax Base could be set at a higher or lower level. However, this could have the effect of either inflating unnecessarily the amount of Council Tax to be set or setting the tax at a level insufficient to meet the Council's budget requirements. A similar position could arise if the surplus or deficit were set at a higher or lower level.
- 7.2 The calculation and return of the information included in the NNDR1 is a statutory requirement which can be formally delegated to an officer. As with council tax if the amount of business rates estimated to be collected is increased or reduced or the surplus or deficit is set at a higher or lower level then the amount of income available to the council will change with the consequent effect on service provision or council tax levels.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 This report covers calculations that are all prescribed by regulations with the effect that no other options need to be considered.

9. IMPLICATIONS

- 9.1 This report does not have any implications affecting legal, human rights act or human resource issues.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985):

Local Government Finance Act 1988

Local Government Finance Act 1992

Local authority (Funds) (England) Regulations 1992

Local Government Act 2003

The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012

The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003.

Council Tax Banding List

The Non-Domestic Rating (Rates Retention) Regulations 2013

11. APPENDICES

Appendix 1 - Council Tax Base for Tax Setting Purposes 2019/20

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