

CABINET	AGENDA ITEM No. 5
13 JANUARY 2020	PUBLIC REPORT

Report of:	Peter Carpenter, Acting Corporate Director Resources	
Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Finance	
Contact Officer(s):	Bruce Bainbridge, Finance Manager	Tel. 384583

COUNCIL TAXBASE 2020/21 and COLLECTION FUND DECLARATION 2019/20

R E C O M M E N D A T I O N S	
FROM: Corporate Director Resources	Deadline date: N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Propose the calculation of the Council Tax Base for 2020/21 set at a level of 59,093.47 Band D equivalent properties based on the existing council tax support scheme updated to 32%; 2. Note the estimated position on the Collection Fund in respect of Council Tax as at 31 March 2020 being: <ul style="list-style-type: none"> <li style="text-align: right;">£0.556m surplus 3. Note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2020 being: <ul style="list-style-type: none"> <li style="text-align: right;">£1.960m surplus 4. Delegate to the Acting Corporate Director Resources authority for approving the final estimated position on the collection fund balance as at 31st March 2020 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. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	13 January 2020
Date for relevant Council meeting	15 January 2020	Date for submission to Government Dept.	31 January 2020 and 13 March 2020

4. BACKGROUND AND KEY ISSUES

Council Tax Base Calculation 2020/21 (Appendix A)

- 4.1 The Council Tax Base calculation is part of the budget process. The gross tax base for 2020/21 is estimated at 65,480.58 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 64,502.34, which is 1.7% more than the equivalent tax base for 2019/20 of 63,435.83.
- 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 2020/21 has therefore reduced to 59,093.47 which compares to 57,555.25 for 2019/20.
- 4.3 The figure of 59,093.47 Band D equivalents reflects the best estimate, based on the latest factual position on the current council tax support scheme of 31%, adjusted to 32% as agreed by Cabinet in February 2019 which becomes effective in 2020/21.

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 2020 in respect of council tax has been estimated to be in surplus by £0.556m from residential property growth and the 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 at 31st March 2020 in respect of business rates has been estimated at £1.960m. The values are based on information as at 30th November 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 2020. 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 2020 and notify the relevant bodies at that time and will return the final NNDR1 form by 31 January 2020.

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 OR IMPACT

- 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. REASON FOR THE RECOMMENDATION

- 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

Financial Implications

- 9.1 The report recommendations feed into the budget process for 2020/21 by providing the basis of the calculation of Council tax income and the estimated surplus or deficit on the collection fund.

Legal Implications

- 9.2 In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 the Council Tax base for the authority must be agreed and notified to major precepting bodies before the 31 January 2020. The proposals set out in this report will facilitate compliance with that requirement.

Equalities Implications

- 9.3 There are no equalities implications arising from the recommendations in the report.

Carbon Impact Assessment

- 9.4 This is a statutory report setting the Council Tax base for 2020/21 and determining the estimated surplus or deficit on the Collection Fund for 2019/20 and has no impact on Carbon related issues.

10. BACKGROUND DOCUMENTS

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

- 10.1 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) (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

11.1 Appendix A - Council Tax base for tax setting purposes 2020/21

PETERBOROUGH CITY COUNCIL

COUNCIL TAX BASE FOR TAX SETTING PURPOSES 2020/21

Appendix A

Parish Council	Number of Properties on Valuation List in Bands									TAXBASE		FINAL
	A	B	C	D	E	F	G	H	TOTAL	GROSS	NET	TAXBASE
Ailsworth	10	22	96	42	49	33	8	0	260	252.61	248.82	242.55
Bainton	9	8	9	28	22	19	37	1	133	157.06	154.70	153.78
Barnack	76	120	37	99	88	45	44	1	510	499.73	492.23	465.03
Bretton	3,971	655	298	286	197	136	19	1	5,563	3,771.17	3,714.60	3,253.88
Castor	53	104	31	58	47	47	36	19	395	392.36	386.48	364.01
City (non-parished)	24,361	15,711	10,150	4,438	1,656	617	268	17	57,218	41,162.48	40,545.04	36,782.50
Deeping Gate	1	21	32	49	47	43	17	0	210	225.12	221.75	217.18
Etton	4	18	8	13	2	8	5	0	58	56.11	55.27	53.50
Eye	795	462	606	266	136	43	13	0	2,321	1,774.72	1,748.10	1,607.77
Glington	131	148	112	97	103	66	47	1	705	651.95	642.17	617.74
Hampton	497	1,126	941	1,402	832	90	14	2	4,904	4,230.70	4,167.24	3,950.77
Helpston	26	117	92	79	122	35	28	0	499	484.80	477.53	466.56
Marholm	1	20	9	13	13	10	10	1	77	78.06	76.88	74.89
Maxey	29	46	38	39	52	58	48	0	310	334.19	329.18	319.71
Newborough & Borough Fen	157	168	275	130	56	32	9	0	827	687.28	676.97	648.94
Northborough	39	176	154	85	71	44	14	1	584	524.17	516.30	502.19
Orton Longueville	2,348	1,307	513	349	222	109	77	3	4,928	3,575.61	3,521.98	3,186.83
Orton Waterville	1,756	825	743	590	599	245	77	2	4,837	3,867.72	3,809.71	3,568.86
Peakirk	17	30	34	43	22	37	10	0	193	194.47	191.56	188.24
Southorpe	2	0	6	9	13	14	15	1	60	77.06	75.91	75.91
St Martins Without	1	3	2	4	0	2	3	2	17	20.28	19.97	19.97
Sutton	0	0	0	6	7	21	14	3	51	70.89	69.83	69.83
Thorney	267	436	173	141	72	61	29	0	1,179	955.61	941.28	881.63
Thornhaugh	3	21	15	9	17	10	13	2	90	94.08	92.67	90.02
Ufford	16	4	7	8	17	33	25	3	113	136.33	134.29	131.47
Upton	0	14	0	4	2	3	2	0	25	23.69	23.34	22.57
Wansford	7	28	30	28	36	56	43	0	228	258.11	254.24	249.03
Wittering	778	259	66	32	5	6	4	4	1,154	738.96	731.84	705.86
Wothorpe	2	4	17	21	16	19	53	9	141	185.25	182.47	182.26
Totals	35,357	21,853	14,494	8,368	4,521	1,942	982	73	87,590	65,480.58	64,502.34	59,093.47
2019/20	34,878	21,086	14,345	8,282	4,444	1,929	964	70	85,998	64,397.42	63,435.83	57,555.25

