

CABINET	AGENDA ITEM No. 5
17 December 2024	PUBLIC REPORT

Report of:	Service Director Financial Management & Deputy s151 Officer	
Cabinet Member(s) responsible:	Councillor Mohammed Jamil, Deputy Leader and Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Fiona Leverton – Financial Planning & Control Manager	Tel. 384656

COUNCIL TAXBASE 2025/26 AND COLLECTION FUND DECLARATION 2024/25

R E C O M M E N D A T I O N S	
FROM: Cabinet Member for Finance and Corporate Governance	Deadline date:
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Propose the calculation of the Council Tax Base for 2025/26 set at a level of 63,069.59 Band D equivalent properties based on the existing council tax support scheme. 2. To note the estimated position on the Collection Fund in respect of Council Tax as at 31 March 2025 being: <div style="text-align: center;">£0.548m Deficit</div> 3. Note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2025 being: <div style="text-align: center;">£12.833m Deficit</div> 4. To note these estimated positions with the Executive Director of Corporate Services reserving the right to amend the final estimated position on the Collection Fund balance as at 31 March 2025 in accordance with the statutory Determination legislation and timescales. 	

1. ORIGIN OF REPORT

- 1.1 This report forms part of the preparation for setting the Council's budget. It needs to be considered for the tax base and the Collection Fund balances to 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	17 December 2024
Date for relevant Council meeting	NA	Date for submission to Government Dept.	NNDR1 return: 31 January 2025 CTR1 return: 11 March 2025

4. BACKGROUND AND KEY ISSUES

Council Tax Base Calculation 2025/26 (Appendix A)

- 4.1 The Council Tax Base calculation is part of the budget process. The gross tax base for 2025/26 is estimated at 69,309.40 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 68,273.61, which is 3% more than the equivalent tax base for 2024/25 of 66,946.27.
- 4.2 A further reduction to the tax base to reflect the changes to the funding of Local Council Tax Support Scheme is necessary. The proposed tax base for 2025/26 therefore reduces to 63,069.59 (62,103.69 for 2024/25). This increase in taxbase is in line with the assumptions that the Council made within its Medium Term Financial Strategy.
- 4.3 The figure of 63,069.59 Band D equivalents reflects the best estimate, based on the latest position on the current council tax support scheme of 33%, which remains unchanged from the scheme proposals as agreed by Cabinet in February 2019.
- 4.4 The Council Tax premium charged for Second Homes will increase from 1 April 2025, in line with the maximum amount outlined within the legislation.

Collection Fund

- 4.5 The Collection Fund surplus/deficit calculation is used by the precepting authorities in setting its budget for the forthcoming year. The figures in this report are provided for information as the Executive Director of Corporate Services will make the formal calculation for Council Tax on 15 January 2025 and notify the relevant bodies at that time and will return the final NNDR1 form by 31 January 2025.
- 4.6 The Collection Fund represents council tax and business rates income receipts and has separate calculations of the surplus/deficit at the year-end compared to the General Fund. 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.

- 4.7 The Collection Fund at 31 March 2025 in respect of council tax has been estimated to be in deficit by £0.548m. This deficit position is due to historic low collection rates, and the need to provide for these, via the bad debt provision. The Council has set out a proposal to invest in this area to improve collection rates during 2025/26. This deficit will be shared between the Council, the Police, the Fire Authority and the Cambridgeshire & Peterborough Combined Authority in proportion to the band D council tax levels.
- 4.8 The collection fund deficit at 31st March 2025 in respect of business rates has been estimated at £12.833m. This deficit has arisen due to slower than anticipated growth, much higher levels of empty properties attracting relief and the adverse effect of appeals relating to the 2017 Ratable Value (RV) list. The extent of this was highlighted at the end of the financial year 2023/24, with a knock-on effect on the future years forecast. Due to the compound effect, it has resulted in a much larger variance (deficit) than normal.
- 4.9 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 2025. 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 deficit will be shared between the parties in the following proportions, Government 50%, Peterborough city council 49%, Cambridgeshire fire authority 1%
- 4.10 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.

Council Tax

The following table outlines the elements of the estimated Collection Fund balance for 2024/25

	Total
Deficit brought forward as at 1st April 2024	(4,713,000)
Net Estimated Surplus 2024/25	4,164,927
Overall estimated Collection Fund position Surplus(+)/Deficit(-)	(548,073)
Breakdown of the Deficit	
Peterborough City Council	(441,824)
Cambridgeshire Police Authority	(75,127)
Cambridgeshire & Peterborough Fire & Rescue	(21,648)
Cambridgeshire & Peterborough Combined Authority	(9,474)

4.11 NNDR

The Collection Fund calculation is used by the precepting authorities in setting its budget for the forthcoming year. The figures in this report are provided for information as the Executive Director of Corporate Services will return the final NNDR1 form by 31 January 2025.

	Total
Deficit brought forward as at 1st April 2024	(7,376,667)
Net Estimated Deficit 2024/25	(5,456,196)
Overall estimated Collection Fund position Surplus(+)/Deficit(-)	(12,832,863)
Breakdown of the Deficit	
Peterborough City Council	(6,288,103)
Cambridgeshire & Peterborough Fire & Rescue	(128,329)
Central Government	(6,416,432)

5. CONSULTATION

- 5.1 Consultation is not required in making the calculations referred to in this report, however the Council is in contact with the Police, Fire and Combined 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 notes that the final calculation of these balances is reserved to the Executive Director of Corporate Services.

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 2025/26 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 2025. 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 2025/26 and determining the estimated surplus or deficit on the Collection Fund for 2024/25 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
The Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020

11. APPENDICES

- 11.1 Appendix A - Council Tax base for tax setting purposes 2025/26

Appendix A- Council Taxbase for 2025/26

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	21	95	41	51	31	14	0	263	258.47	254.60	248.14
Bainton	9	8	9	28	22	18	39	1	134	158.78	156.40	155.37
Barnack	80	104	46	105	98	58	48	1	540	517.50	509.74	480.02
Bretton	3,974	656	295	284	200	134	20	1	5,564	3,757.62	3,701.26	3,270.98
Castor	52	104	31	58	48	46	36	19	394	386.06	380.26	359.85
City (non-parished)	24,986	16,920	11,258	5,090	2,046	652	321	20	61,293	44,508.34	43,840.72	40,198.95
Deeping Gate	2	23	33	45	46	45	19	0	213	230.06	226.60	221.12
Etton	4	17	8	13	2	8	5	0	57	53.08	52.29	50.79
Eye	795	483	617	271	141	43	12	1	2,363	1,793.67	1,766.76	1,627.16
Glinton	132	147	108	101	103	72	48	1	712	655.89	646.05	624.18
Hampton	566	1,124	918	1,365	830	92	15	2	4,912	4,204.99	4,141.91	3,939.02
Helpston	26	117	89	82	118	42	30	0	504	491.08	483.72	474.91
Marholm	1	20	9	12	13	11	10	1	77	82.36	81.13	79.05
Maxey	29	45	39	38	51	57	51	0	310	336.42	331.37	322.67
Newborough & Borough Fen	154	163	280	138	64	32	10	0	842	705.76	695.17	666.84
Northborough	38	173	160	83	74	42	14	1	585	521.10	513.29	501.39
Orton Longueville	2,371	1,326	542	356	227	112	74	3	5,011	3,627.20	3,572.79	3,263.59
Orton Waterville	1,761	935	779	602	616	250	80	2	5,025	4,007.58	3,947.47	3,719.15
Peakirk	17	29	33	44	24	36	11	0	194	197.44	194.48	191.33
Southorpe	1	0	6	9	12	14	17	1	60	75.19	74.07	74.07
St Martins Without	1	3	2	4	0	2	6	2	20	26.00	25.61	25.61
Sutton	0	0	0	4	8	20	15	3	50	70.00	68.95	68.95
Thorney	269	492	196	172	76	76	30	0	1,311	1,065.59	1,049.61	988.78
Thornhaugh	4	21	14	9	17	10	14	2	91	98.58	97.10	95.18
Ufford	16	5	7	8	17	31	28	3	115	141.08	138.97	135.39
Upton	0	14	0	4	2	3	2	0	25	22.47	22.14	21.62
Wansford	7	28	28	29	35	57	43	0	228	257.26	253.40	248.83

Wittering	790	338	99	77	5	7	3	4	1,322
Wothorpe	2	6	14	18	16	19	56	10	141

870.94	861.73
188.86	186.03

830.63
186.03

Totals	36,095	23,322	15,714	9,091	4,963	2,020	1,071	78	92,354
<i>2024/25 Totals</i>	36,128	22,903	15,407	9,052	4,826	2,007	1,053	77	91,452

69,309.40	68,273.61
67,961.64	66,946.27

63,069.59
61,802.28

Report Sign Off Sheet				
Pre-Drafting Comments	Section	Name	Comments	Date
	Finance <i>If your report contains budgetary implications, please ensure you liaise with Finance prior to drafting your report.</i>	Fiona Leverton	CLT and CPF on 3 Dec	5/12/24
Date Report Submitted Into 365 Folder				Date
Post-Drafting Final Approvals Shared Service? <i>If you are writing a report as an officer from a shared service authority, all approvals will need to be provided by Peterborough City Council officers.</i>	Section	Name	Approved	Date
	Legal	Israr Ahmed	Approved	8/12/24
	Finance	Emma Riding	Yes	5/12/24
	Procurement <i>(approval must be sought from Procurement if your decision is contract / procurement related)</i>	N/A		
	Democratic Services	Daniel Snowdon	Yes	05.12.24
	Transport and Environment	N/A		
Director's Approval <i>Directors are requested not to sign if the above section is incomplete</i>	Cecilie Booth			Date
				8/12/24