
REPORT TO:	COUNCIL	AGENDA ITEM: 9
DATE OF MEETING:	14TH JANUARY 2021	CATEGORY:
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD victoria.summerfield@southderbyshire.gov.uk	DOC: S/Finance/Committee/2021/Jan
SUBJECT:	COUNCIL TAX BASE AND SURPLUS 2021/22	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That the Council Tax Base for 2021/22 of 35,218 (equivalent Band D) properties as detailed in **Appendix 1** is approved.
- 1.2 That a Council Tax Surplus of £1,200,000 for 2020/21 is declared on the Collection Fund and that the Council's proportion of £124,054 is transferred to the General Fund in 2021/22.

2.0 Purpose of the Report

- 2.1 To update on the Council Tax element of the Collection Fund Surplus and to provide detail of the Tax Base for Council Tax in 2021/22.

3.0 Detail

Council Tax Base

- 3.1 This is the number of chargeable properties for Council Tax after taking account of exemptions and discounts, including the Local Council Tax Support Scheme.
- 3.2 The calculation of the Tax Base for 2021/22, as detailed in **Appendix 1**, is based on the number of properties listed on the Council Tax register as at 30th September 2020.
- 3.3 A statutory return is reported on the same basis across the country and the Derbyshire Preceptors base their budgeted income for the following year for Council Tax on this return.
- 3.4 The "Band D equivalent" is calculated on the statutory return and the Tax Base for 2021/22 is 35,218, which is an increase of 744 (2.1%) of properties from 2020/21.

3.5 The expected growth forecasted in the Medium-Term Financial Plan was 871 properties and so this will reduce the level of income retained by the Council in 2021/22. Growth has been stifled in 2020/21 due to the pandemic.

Council Tax Surplus

3.6 In setting the level of Council Tax for 2021/22, the Council is also required to estimate the balance on the Collection Fund for the current financial year.

3.7 Due to growth of the District in previous years, a surplus has been generated on the Collection Fund for Council Tax.

3.8 The surplus on Council Tax as at the end of 2019/20 totalled £3.3m. A Council Tax Surplus of £800k was declared as part of the Budget round in January 2020 which will reduce this balance to £2.4m by the end of 2020/21.

3.9 **Appendix 2** shows a forecasted deficit on Council Tax for 2020/21 of approximately £711k due to the pandemic and the lower than expected growth of the Tax Base. The Bad Debt Provision for 2020/21 is expected to be far higher than in previous years as collection rates are reduced and enforcement has also been softer during the pandemic.

3.10 By declaring a surplus of £1.2m for 2021/22, this will leave a remaining balance of £1.2m on the Fund for Council Tax to cover any deficits in year. The allocation of the proposed surplus to the Preceptors is listed in the following table.

	%	£
Derbyshire County Council	73.4%	880,948
Derbyshire Fire and Rescue Authority	4.2%	50,757
Derbyshire Police and Crime Commissioner	12.0%	144,241
South Derbyshire District Council	10.3%	124,054
	100.0%	1,200,000

4.0 Financial Implications

4.1 Detailed in the report.

5.0 Corporate Implications

Employment Implications

5.1 None.

Legal Implications

5.2 None.

Corporate Plan Implications

5.3 None directly.

Risk Impact

5.4

6.0 Community Impact

Consultation

6.1 None required.

Equality and Diversity Impact

6.2 None.

Social Value Impact

6.3 None.

Environmental Sustainability

6.4 None.

7.0 Background Papers

7.1 None.

COUNCIL TAX BASE**APPENDIX 1**

PARISH	2020/21	2021/22	Change
ASH	23	23	0
ASTON ON TRENT	724	720	-4
BARROW ON TRENT	241	239	-2
BARTON BLOUNT	31	32	1
BEARWARDCOTE	13	13	0
BRETBY	407	414	7
BURNASTON	690	691	1
CALKE	8	8	0
CASTLE GRESLEY	626	626	0
CATTON	22	22	0
CAULDWELL	44	43	-1
CHURCH BROUGHTON	241	242	1
COTON IN THE ELMS	277	275	-2
DALBURY LEES	125	132	7
DRAKELOW	206	254	48
EGGINGTON	257	256	-1
ELVASTON	1,062	1,131	69
ETWALL	1,131	1,179	48
FINDERN	1,168	1,366	198
FOREMARK	31	34	3
FOSTON & SCROPTON	247	244	-3
HARTSHORNE	1,079	1,091	12
HATTON	883	877	-6
HILTON	2,735	2,792	57
HOON	21	22	1
INGLEBY	49	51	2
LINTON	748	752	4
LULLINGTON	59	58	-1
MARSTON ON DOVE	17	15	-2
MELBOURNE	1,996	1,994	-2
NETHERSEAL	328	337	9
NEWTON SOLNEY	336	361	25
OSLESTON & THURVASTON	122	122	0
OVERSEAL	864	884	20
RADBOURNE	230	347	117
REPTON	1,172	1,171	-1
ROSLISTON	290	302	12
SHARDLOW & GREAT WILNE	424	424	0
SMISBY	127	124	-3
STANTON BY BRIDGE	120	122	2
STENSON	1,500	1,489	-11
SUTTON ON THE HILL	67	69	2
SWADLINCOTE	9,462	9,478	16
SWARKESTONE	297	376	79
TICKNALL	303	305	2
TRUSLEY	43	40	-3
TWYFORD & STENSON	69	70	1
WALTON ON TRENT	311	310	-1
WESTON ON TRENT	567	615	48
WILLINGTON	1,016	1,025	9
WOODVILLE	1,661	1,651	-10

TOTAL**34,470****35,218****748****APPENDIX 2****COUNCIL TAX MONITORING 2020/21 (as at 30th November 2020)**

	Actual 2019/20 £'000	Estimated 2020/21 £'000	Projection 2020/21 £'000	Notes
INCOME				
Council Tax Collectable	62,162	65,270	64,795	Est. Increase in Tax Base and Precepts at 5%
EXPENDITURE				
County Council Precept	44,054	46,517	46,517	As approved by Full Council 26th Feb 2020
Police and Crime Commissioner Precept	7,213	7,812	7,812	As above
Fire and Rescue Authority Precept	2,538	2,680	2,680	As above
SDDC Precept	5,405	5,705	5,705	As above
SDDC Parish Precepts	798	848	848	As above
Increase in Bad Debts Provision	-336	653	1,944	Estimated at 3% of income
Total Expenditure	59,672	64,215	65,506	
Surplus/Deficit for the Year	2,490	1,055	-711	
COUNCIL TAX BALANCE				
Opening Balance 1st April	1820	3,310	3,310	Per Final Accounts 2019/20
Share of Previous Surplus to County Council	-733	-587	-587	As approved by Full Council 26th Feb 2020
Share of Previous Surplus to Police	-112	-96	-96	As above
Share of Previous Surplus to Fire Authority	-45	-34	-34	As above
Share of Previous Surplus to SDDC	-110	-83	-83	As above
Surplus for Year (as above)	2,490	1,055	-711	
Closing Balance as at 31st March	3,310	3,565	1,799	