CAMBRIDGE CITY COUNCIL

REPORT OF: Caroline Ryba, Head of Finance

TO: Civic Affairs Committee   28/1/2014

WARDS: All

COUNCIL TAX BASE AND BUSINESS RATES CALCULATIONS

1   INTRODUCTION

1.1   The Council is required to set the Council Tax Base (the number of equivalent Band D properties for council tax raising purposes) in advance of the start of each financial year. This base is used by the Council and precepting bodies (the county council, fire and police) to estimate council tax yield for budget setting purposes.

1.2   The introduction of the Business Rates Retention scheme from 1 April 2013 has given increased significance to the business rates forecasting form (NNDR1) which is completed by authorities and submitted to the Department of Communities and Local Government (DCLG) by the end of each January. This return estimates the amount of non-domestic rates income that the Council, central government, county council and fire authority expect to receive in the following financial year and is therefore also an important element of the budget setting process.

1.3   This report asks the Committee to recommend Council to formally confirm the current practice of delegation of approval of these items to the Chief Financial Officer.

2.   RECOMMENDATIONS

2.1   To recommend Council to formally confirm the delegation to the Chief Financial Officer (Head of Finance) of approval of the Council Tax Base and submission of the National Non-Domestic Rates Forecast Form (NNDR1) for each financial year.

3.   BACKGROUND

3.1   Calculation of the council tax base and the NDDR1 calculations are technically based and determined by regulation.

Council Tax Base

3.2   The Council approves the Council Tax Base as part of the Budget Setting report in February each year.   However, the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 1992 require that the authority notifies the council tax base to the precepting authorities by 31 January before the start of the financial year.

3.3   Approval of the Council Tax Base is not required by Council and can be delegated. Approval of the base has been effectively delegated to the Chief Financial Officer for more than a decade, but current officers have been unable to identify a formal delegation either in the Constitution or having been taken through this Committee.

Business Rates

3.3   The NNDR1 form has a renewed significance under business rates retention as it estimates the funding that the authority will receive from business rates for the following year. The DCLG has indicated in the Practitioner's Guide to Business Rates Retention that it considers that the form is not required to be approved by Council and that this can be carried out by the Chief Financial Officer.

3.4   It is considered to be best practice to formally document the delegation of approval of the NNDR1 form.

4   IMPLICATIONS

(a)   **Financial Implications** The calculation of the non-domestic rating income and the council tax base are key statutory elements in the budget process.

(b)   **Staffing Implications**   None

(c)   **Equal Opportunities Implications** The council tax base and NNDR1 calculations form part of the wider budget process for which an Equalities Impact Assessment is prepared.

(d)   **Environmental Implications** None

(e)   **Procurement** None

(f)   **Consultation and communication**   The council tax base and NNDR1 calculations form part of the wider budget process which is subject to public consultation.

(g)   **Community Safety** None

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

The Local Authorities (Calculation of Council Tax Base) Regulations 1992
The Local Government Finance Act 1992

To inspect these documents contact Charity Main on extension 8152

The author and contact officer for queries on the report is Charity Main on extension 8152.

Report file: O:\accounts\Committee Reports & Papers\Civic Affairs\January 2015\Civic Affairs Draft Report Jan 2015 - CT base and NNDR1 approval.docx

Date originated: 19 January 2015
Date of last revision: 19 January 2015