

DECISION-MAKER:	CHIEF FINANCIAL OFFICER		
SUBJECT:	COUNCIL TAX BASE 2020/21		
DATE OF DECISION:	20 January 2020		
REPORT OF:	Service Lead – Corporate Planning & Commercialisation		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<u>THE SETTING OF THE COUNCIL TAX BASE FOR THE CITY OF SOUTHAMPTON FOR 2020/21</u>	
Council Tax legislation sets out a procedure to be followed to set the Council Tax each year. The stages are	
<ul style="list-style-type: none"> i. Calculate the tax base; ii. Calculate the amount to be raised from the council tax; and iii. Divide the amount to be raised by the tax base to calculate the council tax rate for the year. 	
It is a legal requirement that the tax base is calculated and approved by 31 st January each year	
RECOMMENDATIONS:	
	(i) It is recommended that the Chief Financial Officer: Approves the amount calculated by Southampton City Council as its Council Tax Base for the year commencing 1 st April 2020 as 65,468 equivalent Band D dwellings
REASONS FOR REPORT RECOMMENDATIONS	
1.	The report and recommendation has been prepared as part of the statutory requirement to set the Council Tax Base for the year commencing 1 st April 2020.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	No alternative options are relevant to this report.
DETAIL (Including consultation carried out)	

3.	Council Tax legislation sets out a procedure to be followed to set the council tax each year. The stages are <ul style="list-style-type: none"> i) Calculate the tax base; ii) Calculate the amount to be raised from the council tax; and iii) Divide the amount to be raised by the tax base to calculate the council tax rate for the year.
4.	This report deals with the first of those stages. The Council has delegated authority to the Chief Financial Officer following consultation with the Cabinet Member for Resources to approve the Council Tax Base for the City Council (paragraph 6.7 of the Scheme of Delegation). It is a legal requirement that the tax base is calculated and approved by 31 st January each year.
5.	The Council Tax Base has two components. The first is an estimate of the number of equivalent Band D dwellings within the city that will be subject to a Council Tax charge in 2020/21, adjusted to reflect the local Council Tax Reduction Scheme.
6.	The second component is an estimate of the proportion of those charges that the City Council expects to collect, both during the year and in future years.
7.	The higher the collection rate, the lower the level of tax. This calculation needs to allow for both bad debts eventually written off and variations in the estimates for exemptions, discounts, new and demolished properties.
8.	The Council Tax collection rate for 2020/21 is 97.4%, which is the proportion of charges for that year expected to be collected during the year and in future years. This is the same as for 2019/20.
9.	The calculations in Appendix 1 set out the total level of discounts and exemptions that are expected to be granted in the year in order to come to a total equivalent number of dwellings. The Council then makes assumptions about the number of new and demolished properties during the year to give a revised total number of properties that equates to 92,454 for 2020/21.
10.	The Council Tax Base needs to be adjusted for the local Council Tax Reduction Scheme, which has been analysed across the property Bands accordingly to give a reduced Council Tax Base of 81,382.
11.	This figure is then converted into a Band D equivalent figure by applying the ratios shown in Appendix 1. This equates to 67,215. The Collection Rate percentage outlined in Paragraph 8 is then applied to this figure to give the final Council Tax Base of 65,468.
12.	The Tax Base, once determined, is notified to the Fire and Police authorities to inform their funding calculations for 2020/21.

RESOURCE IMPLICATIONS

Capital/Revenue

13.	The revenue implications are contained in the main report and there are no capital implications.
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Property/Other

14.	None.
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LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
15.	The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
<u>Other Legal Implications:</u>	
16.	None
RISK MANAGEMENT IMPLICATIONS	
17.	N/A
POLICY FRAMEWORK IMPLICATIONS	
18.	The report has been prepared in accordance with the statutory requirements with respect to the setting of the Council Tax Base for 2020/21.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Council Tax Base 2020/21

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	