

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 12 JANUARY 2021



Title of Report	COUNCIL TAX BASE 2021-22	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<u>Review of the Medium Term Plans – Cabinet 29 September 2020</u>	Public Report: Yes
	<u>General Fund and Special Expenses Revenue Budget Proposals for 2021/22 – Cabinet 8 December 2020</u> <u>Council Tax Base 2020/21 – Cabinet 14 January 2020</u>	Key Decision: Yes
Financial Implications	These are set out in section 2 of the report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None identified.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None identified.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To determine the Council Tax Base and advise members of the process for calculating the NNDR amounts due to the Council for the 2021/22 Financial Year.	
Reason for Decision	Statutory requirement to facilitate the setting of Council Tax for the forthcoming Financial Year.	
Recommendations	<p>1. THAT THE CALCULATION OF THE COUNCIL TAX BASE FOR EACH PARISH AND SPECIAL EXPENSE AREA FOR THE FINANCIAL YEAR 2021/22. AS SHOWN IN APPENDIX 2 TO THE REPORT, BE APPROVED AND RECOMMENDED TO COUNCIL FOR ADOPTION.</p> <p>2. THAT CABINET NOTE THAT, IN ACCORDANCE WITH THE LOCAL AUTHORITIES (CALCULATION OF COUNCIL TAX BASE) (ENGLAND) REGULATIONS 2012 SI 2012/2914, THE AMOUNT CALCULATED BY NORTH WEST</p>	

	<p>LEICESTERSHIRE DISTRICT COUNCIL AS ITS COUNCIL TAX BASE FOR THE FINANCIAL YEAR 2021/22 SHALL BE 34,798.</p> <p>3. THAT CABINET NOTE THAT THIS IS THE FIRST YEAR THAT NO COUNCIL TAX SUPPORT GRANT WILL BE PAID TO EACH TOWN AND PARISH COUNCIL AS DETAILED IN APPENDIX 3.</p> <p>4. THAT CABINET NOTE THAT THE SECTION 151 OFFICER HAS DELEGATED AUTHORITY TO SUBMIT THE CALCULATIONS OF NON DOMESTIC RATING INCOME AND OTHER AMOUNTS REQUIRED BY THE GOVERNMENT BY 31 JANUARY EACH YEAR.</p>
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1.0 BACKGROUND

- 1.1 The Local Government Finance Act 1992 requires that the calculation of the Council Tax Base and NNDR for the financial year 2021/22 be determined by no later than 31 January 2021. This is a necessary component in the setting of the 2021/22 Council Tax and Business Rates.
- 1.2 The work to estimate the council's Council Tax Base have been undertaken and are presented within this report for approval.
- 1.3 The calculations that feed into the NNDR base are typically carried out by Revenues and Benefits Partnership shortly before the 31 January deadline to ensure figures are as up to date as possible. In view of the timing, Cabinet have previously delegated authority to the Section 151 Officer to approve and submit the NNDR 1 form for 2021/22.

2. FINANCIAL IMPLICATIONS

- 2.1 The Council Tax Base is a measure of the relative taxable capacity of the District, as shown in Appendix 1, and of each of part of the District as shown in Appendix 2. It is expressed as the equivalent number of Band D properties in each area. The Council Tax Base multiplied by the Band D Council Tax gives the total Council Tax receivable for the forthcoming financial year.
- 2.2 The budget requirement of this Authority, and of its Precepting Authorities, to be met by the Council Tax charge divided by the Council Tax Base figure to arrive at the level of Council Tax to be levied on a Band D property in order to generate that amount of Council Tax income. The actual levy in properties in other Bands is calculated on a pro-rota basis using the following ratios:

Band A = 6/9 of Band D
 Band B = 7/9 of Band D
 Band C = 8/9 of Band D
 Band D = 9/9 of Band D
 Band E = 11/9 of Band D
 Band F = 13/9 of Band D
 Band G = 15/9 of Band D
 Band H = 18/9 of Band D

- 2.3 Where the precept relates to only part of the District (i.e. Parish Precepts and Special Expenses) the appropriate Council Tax Base of the part (as shown in Appendix 2) is used. Accordingly, all Precepting Authorities will be informed of their appropriate Council Tax Base for 2021/22 once the Council Tax Base has been determined.

3.0 CALCULATION OF COUNCIL TAX BASE AND IMPACT OF COVID-19 ON ESTIMATES

- 3.1 The Council Tax Base calculation for the financial year 2021/22 has been carried out in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. Appendix 1 shows the actual number of Band D equivalent properties of the Council Tax Base as at 30 November 2020 by Council Tax band.

Growth Estimates

- 3.2 Growth estimates in respect of the number of new properties liable for council tax have also been included. These properties have been identified and monitored by the Council's Planning Policy team and the Revenues and Benefits Partnership, and included in the Council Tax Base calculation at parish level at assumed bandings, before conversion to Band D equivalents. The estimated growth is 603 Band D properties or 1.7%. This is lower than the growth forecast for 2020/21 of 786 (2.3%) due to the forecast impact on the housing market due to the COVID pandemic. The estimated growth by band can be found in Appendix 1.
- 3.3 A bad debt provision of 2.5% of the base and growth has been applied to allow for non-collection and banding appeals. The provision has been increased from 2% to 2.5% to reflect the expectation that the level of bad debts will increase following the fallout of the pandemic. This targeted level is consistent with the collection rate achieved in 2019/20 of 97.6%. It is higher than the forecast collection rate to be achieved in 2020/21 of 96.1% as we are expecting collection rates to recover to 2019/20 levels during 2021/22.
- 3.4 The adjusted figures for each Parish and Special Expense area are set out in Appendix 2. The respective Council Tax Base for each Parish and Special Expense area is used as a basis for charging Special Expense and Parish Precepts to the Council Tax payers of the appropriate parts of the District.

Local Council Tax Support Scheme (LCTS)

- 3.5 An estimate for the number of households likely to be claiming LCTS is included in the council tax base calculation each year.
- 3.6 Because of COVID-19, the number of people claiming LCTS has increased in 2020/21. The increase in claimants has been covered by a 'Hardship Grant' from central government. This £545k grant was paid to Councils early on in the financial year to reduce claimants bills nil and support additional claimants.
- 3.7 For 2021/22 the forecast increase in LCTS demand has reduced the council tax base by 38 Band D equivalents. The financial impact to the Council is £6k less in Council Tax.
- 3.8 As part of the provisional Local Government Finance Settlement announcements made on 17 December, the Secretary of State announced a new Local Council Tax Support grant for Local Authorities to support them in meeting the expected increase in LCTS claimants in 2021/22.

- 3.9** The grant for NWL is £103k. Although no decisions have yet been made, this funding could be used to continue the Hardship Fund into 2021/22 and thereby reduce the payments from existing and new claimants to a smaller value or to nil. It is important to note that the Council will need to work with the other precepting councils, since plans for use of grant allocations for each council will need to be aligned. Further work will be undertaken early in the New Year.

Local Council Tax Support Grant to Parish and Town Councils

- 3.10** In 2013/14, the Government replaced Council Tax Benefit Subsidy grant with Council Tax Support grant but replaced the level of funding by around 10% for 2013/14. The grant was intended to pay for the Council Tax Support Discounts in the 2013/14 year only. Town and Parish Councils did not receive the Government grant in their own right and the District Council has passed on to them an element of its own funding to compensate them for the Council Tax Discounts in the form of the Local Council Tax Reduction/Support Scheme grant. The Council has received no funding from central government for this since 2013/14 but has continued to support the Special Expenses, Town and Parish Councils with this grant.
- 3.11** Members have previously agreed to reduce this grant to Town and Parish Councils by approximately 25 percent per annum over a four year period between 2017/18 – 2020/21 (agreed as part of the Medium Term Financial Strategy presented to Cabinet on 11 October 2016). 2021/22 therefore this is the first year of no grant funding being provided to Town and Parish Councils. The table is presented for information, in Appendix 3.

Local Council Tax Support Grant to Special Expenses Accounts

- 3.12** The Special Expenses accounts also received a grant in relation to the Localisation of Council Tax Support its in entirety until 2020/21. It was agreed as part on the 2020/21 budget setting process to reduce the grant by approximately 25 percent per annum over a four year period between 2021/22-2024/25.

Town and Parish Precepts

- 3.13** Appendix 4 shows the estimated Town and Parish Councils Precepts, recommended grants and total actual funding available for 2020/21 and estimated funding available for 2021/22. Although the estimates of the Precepts for 2021/22 reflect changes in the tax base, no increase in the council tax level has been assumed. Town and Parish Councils as independent bodies can increase their own levels of council tax in order to increase their precept. This table is therefore indicative only, as (at the time of writing this report) we are yet to receive full and final details of precept increases from Town and Parish Councils.

4 NATIONAL NON-DOMESTIC RATES (BUSINESS RATES)

- 4.1** The funding system for Local Government from April 2013 includes the 'localisation' of business rates. As part of the Government's business rates distribution formula, North West Leicestershire District Council has previously retained 40% of all business rates collected within the District, with 9% to Leicestershire County Council, 1% to the Fire Authority, and the remaining 50% known as the "central share" to Central Government. There is however also a complex system of "top-ups", "tariffs" and "levies" which results in the as a "tariff" authority being required to pay a 50% level on its 40% of additional business rates back to Central Government. Due to the existence of the Leicester and Leicestershire Business Rates Pool, this levy payment is instead retained and combined with other levy funds from other Councils in the County and subsumed into the Leicester and Leicestershire Economic Partnership (LLEP).

- 4.2 On 25 November 2020, the Chancellor of the Exchequer set out what the government will spend in 2021/22 through the spending review. The Chancellor confirmed that there will be a fundamental review of the business rates system and a will report will be published in Spring 2021. There will not be a reset of the business rates baseline in 2021/22
- 4.3 Local Authorities are required to provide details of expected Business Rates income for the following year to the Government by 31 January and this is done on a form called NNDR 1. As business rates income has become a fundamental part of the new funding system for Local Government, the Ministry of Housing, Communities and Local Government (MHCLG) requires a “NNDR 1” form to be formally approved. The expectation is that the approval process is to be in line with approval of the Council Tax Base.
- 4.4 The calculations that feed into the NNDR 1 form are carried out by Revenues and Benefits Partnership shortly before the 31 January deadline to ensure figures are as up to date as possible. The Section 151 Officer has the appropriate delegation in place to approve and submit the form confirming the amount of business rates to be collected in 2021/22 and will do so on or before the 31 January 2021 deadline.

Policies and other considerations, as appropriate	
Council Priorities:	The council tax base assists the Council to achieve all its priorities.
Policy Considerations:	Not applicable
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	Not applicable
Risks:	Controls are in place to ensure the correct calculation of the Council Tax Base.
Officer Contact	Tracy Bingham Head of Finance and S151 Officer tracy.bingham@nwleicestershire.gov.uk

APPENDIX 1

COUNCIL TAX BASE

BAND	RATIO TO BAND D	NUMBER OF BAND D EQUIVALENTS AS AT 03 December 2020	Plus ESTIMATED GROWTH FOR 2021/22	Less NON COLLECTION RATE 0.025	COUNCIL TAX BASE 2021/22
A	6/9	4,814	12	121	4,705
B	7/9	8,828	144	224	8,748
C	8/9	6,054	43	152	5,945
D	9/9	6,057	129	155	6,031
E	11/9	5,272	182	136	5,318
F	13/9	2,510	106	65	2,551
G	15/9	1,465	23	37	1,451
H	18/9	89	5	2	92
TOTALS		35,089	644	892	34,841

**COUNCIL TAX BASE
PARISH AND SPECIAL EXPENSES AREAS**

Parish / Special Expense Area	Council Tax Base	
	2020/2021	2021/2022
APPLEBY MAGNA	528	526
ASHBY DE LA ZOUCH	5,932	5,998
ASHBY WOULD'S	1,381	1,412
BARDON	10	10
BELTON	304	307
BREEDON-ON-THE-HILL	441	449
CASTLE DONINGTON	2,573	2,621
CHARLEY	76	77
CHILCOTE	57	55
COALVILLE	6,550	6,584
COLEORTON	573	573
ELLISTOWN AND BATTLEFLAT	846	840
HEATHER	367	365
HUGGLESCOTE AND DONINGTON LE HEATH	1,732	1,826
IBSTOCK	2,337	2,328
ISLEY WALTON-CUM-LANGLEY	32	31
KEGWORTH	1,275	1,292
LOCKINGTON-CUM-HEMINGTON	241	241
LONG WHATTON AND DISEWORTH	798	783
MEASHAM	1,701	1,681
NORMANTON-LE-HEATH	63	66
OAKTHORPE, DONISTHORPE AND ACRESFORD	878	881
OSGATHORPE	208	208
PACKINGTON	400	409
RAVENSTONE WITH SNIBSTON	1,020	1,030
SNARESTONE	135	139
STAUNTON HAROLD	64	63
STRETTON-EN-LE-FIELD	20	19
SWANNINGTON	467	470
SWEPSTONE	267	262
WHITWICK	2,719	2,697
WORTHINGTON	590	598
TOTALS	34,585	34,841

APPENDIX 3

TOWN/PARISH GRANTS 2016/17-2021/22

PARISH	Grant	Grant	Grant	Grant	Grant	Grant
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
APPLEBY MAGNA	938.00	938.00	703.50	469.00	234.50	-
ASHBY DE LA ZOUCH	24,763.00	24,763.00	18,572.25	12,381.50	6,190.75	-
ASHBY WOULD'S	12,071.00	12,071.00	9,053.25	6,035.50	3,017.75	-
BARDON	-	-	-	-	-	-
BELTON	787.00	787.00	590.25	393.50	196.75	-
BREEDON-ON-THE-HILL	875.00	875.00	656.25	437.50	218.75	-
CASTLE DONINGTON	4,717.00	4,717.00	3,537.75	2,358.50	1,179.25	-
CHARLEY	182.00	182.00	136.50	91.00	45.50	-
CHILCOTE	-	-	-	-	-	-
COALVILLE	-	-	-	-	-	-
COLEORTON	185.00	185.00	138.75	92.50	46.25	-
ELLISTOWN & BATTLEFLAT	2,757.00	2,757.00	2,067.75	1,378.50	689.25	-
HEATHER	1,053.00	1,053.00	789.75	526.50	263.25	-
HUGGLESCOTE & DONINGTON LE HEATH	6,356.00	6,356.00	4,767.00	3,178.00	1,589.00	-
IBSTOCK	7,499.00	7,499.00	5,624.25	3,749.50	1,874.75	-
ISLEY WALTON -CUM-LANGLEY	27.00	27.00	20.25	13.50	6.75	-
KEGWORTH	2,919.00	2,919.00	2,189.25	1,459.50	729.75	-
LOCKINGTON CUM HEMINGTON	346.00	346.00	259.50	173.00	86.50	-
LONG WHATTON & DISEWORTH	594.00	594.00	445.50	297.00	148.50	-
MEASHAM	8,908.00	8,908.00	6,681.00	4,454.00	2,227.00	-
NORMANTON-LE-HEATH	-	-	-	-	-	-
OAKTHORPE, DONISTHORPE &	4,011.00	4,011.00	3,008.25	2,005.50	1,002.75	-
OSGATHORPE	191.00	191.00	143.25	95.50	47.75	-
PACKINGTON	-	-	-	-	-	-
RAVENSTONE WITH SNIBSTON	3,250.00	3,250.00	2,437.50	1,625.00	812.50	-
SNARESTONE	-	-	-	-	-	-
STAUNTON HAROLD	-	-	-	-	-	-
STRETTON-EN-LE-FIELD	-	-	-	-	-	-
SWANNINGTON	2,122.00	2,122.00	1,591.50	1,061.00	530.50	-
SWEPSTONE	-	-	-	-	-	-
WHITWICK	15,535.00	15,535.00	11,651.25	7,767.50	3,883.75	-
WORTHINGTON	685.00	685.00	513.75	342.50	171.25	-
Totals	100,771.00	100,771.00	75,578.25	50,385.50	25,192.75	-

APPENDIX 4

ESTIMATED PARISH PRECEPTS

PARISH	2020/21 Actual Precept	2020/21 Grant	2020/21 TOTAL BUDGET	Estimated Parish Precept available for 2021/22	2021/22 Grant	2021/22 Estimated Total Budget
APPLEBY MAGNA	18,765.50	234.50	19,000.00	18,694.00	0.00	18,694.00
ASHBY DE LA ZOUCH	484,882.00	6,190.75	491,072.75	490,277.00	0.00	490,277.00
ASHBY WOULD'S	116,013.00	3,017.75	119,030.75	118,617.00	0.00	118,617.00
BARDON	0.00	0.00	0.00	0.00	0.00	0.00
BELTON	28,500.00	196.75	28,696.75	28,781.00	0.00	28,781.00
BREEDON-ON-THE-HILL	26,000.00	218.75	26,218.75	26,472.00	0.00	26,472.00
CASTLE DONINGTON	366,352.00	1,179.25	367,531.25	373,186.00	0.00	373,186.00
CHARLEY	4,500.00	45.50	4,545.50	4,559.00	0.00	4,559.00
CHILCOTE	0.00	0.00	0.00	0.00	0.00	0.00
COALVILLE	0.00	0.00	0.00	0.00	0.00	0.00
COLEORTON	14,348.00	46.25	14,394.25	14,348.00	0.00	14,348.00
ELLISTOWN & BATTLEFLAT	67,040.00	689.25	67,729.25	66,565.00	0.00	66,565.00
HEATHER	13,190.00	263.25	13,453.25	13,118.00	0.00	13,118.00
HUGGLESCOTE & DONINGTON LE HEATH	118,001.00	1,589.00	119,590.00	124,405.00	0.00	124,405.00
IBSTOCK	198,850.00	1,874.75	200,724.75	198,084.00	0.00	198,084.00
ISLEY WALTON -CUM-LANGLEY	436.00	6.75	442.75	422.00	0.00	422.00
KEGWORTH	113,516.00	729.75	114,245.75	115,030.00	0.00	115,030.00
LOCKINGTON CUM HEMINGTON	14,500.00	86.50	14,586.50	14,500.00	0.00	14,500.00
LONG WHATTON & DISEWORTH	41,033.00	148.50	41,181.50	40,262.00	0.00	40,262.00
MEASHAM	117,116.00	2,227.00	119,343.00	115,739.00	0.00	115,739.00

PARISH	2020/21 Actual Precept	2020/21 Grant	2020/21 TOTAL BUDGET	Estimated Parish Precept available for 2021/22	2021/22 Grant	2021/22 Estimated Total Budget
NORMANTON-LE-HEATH	0.00	0.00	0.00	0.00	0.00	0.00
OAKTHORPE, DONISTHORPE & ACRESFORD	57,997.25	1,002.75	59,000.00	58,195.00	0.00	58,195.00
OSGATHORPE	4,932.86	47.75	4,980.61	4,933.00	0.00	4,933.00
PACKINGTON	22,508.00	0.00	22,508.00	23,014.00	0.00	23,014.00
RAVENSTONE WITH SNIBSTON	55,019.00	812.50	55,831.50	55,558.00	0.00	55,558.00
SNARESTONE	10,000.00	0.00	10,000.00	10,296.00	0.00	10,296.00
STAUNTON HAROLD	206.00	0.00	206.00	203.00	0.00	203.00
STRETTON-EN-LE-FIELD	0.00	0.00	0.00	0.00	0.00	0.00
SWANNINGTON	27,688.00	530.50	28,218.50	27,866.00	0.00	27,866.00
SWEPSTONE	22,699.00	0.00	22,699.00	22,274.00	0.00	22,274.00
WHITWICK	280,352.00	3,883.75	284,235.75	278,084.00	0.00	278,084.00
WORTHINGTON	20,640.00	171.25	20,811.25	20,920.00	0.00	20,920.00