

<b>Title of Report</b>	<b>COUNCIL TAX BASE 2022/23</b>	
<b>Presented by</b>	Councillor Nick Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<a href="#">Council Tax Base 2021/22 – Cabinet 12 January 2021</a>	<b>Public Report:</b> Yes
		<b>Key Decision:</b> Yes
<b>Financial Implications</b>	These are set out in section 2 of the report	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	There are no direct legal implications arising from this report	
	<b>Signed off by the Deputy Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None identified	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To determine the Council Tax Base and advise members of the process for calculating the NNDR amounts due to the Council for the 2022/23 financial year.	
<b>Reason for Decision</b>	Statutory requirement to facilitate the setting of Council Tax for the forthcoming financial year.	
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. <b>THAT THE CALCULATION OF THE COUNCIL TAX BASE FOR EACH PARISH AND SPECIAL EXPENSE AREA FOR THE FINANCIAL YEAR 2022/23, AS DETAILED IN APPENDIX 2, BE APPROVED AND RECOMMENDED TO COUNCIL FOR ADOPTION.</b></li> <li>2. <b>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 LEICESTERSHIRE DISTRICT COUNCIL AS ITS COUNCIL TAX BASE FOR THE FINANCIAL YEAR 2022/23 SHALL BE 35,581</b></li> <li>3. <b>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.</b></li> </ol>	

## **1. BACKGROUND**

- 1.1 The Local Government Finance Act 1992 requires that the calculation of the Council Tax Base and NNDR for the financial year 2022/23 be determined by no later than 31 January 2022. This is a necessary component of the setting of the 2022/23 Council Tax and Business Rates.
- 1.2 The work to estimate the 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 timing, Cabinet have previously delegated authority to the Section 151 Officer to approve and submit the NNDR 1 form for 2022/23.

## **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 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 Council Tax receivable for the forthcoming financial year.
- 2.2 As set out above, the taxbase is expressed as band D equivalents. The actual levy in properties in other bands is calculated on a pro-rotta 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 Appendix 2) is used. Accordingly, all Precepting Authorities have been informed of their appropriate provisional Council Tax Base for 2022/23.

## **3. CALCULATION OF COUNCIL TAX BASE**

- 3.1 The Council Tax Base calculations for the financial year 2022/23 have 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 Base as at 30 November 2021 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 in the calculation. These properties have been identified and monitored by the Revenues and Benefits Partnership and the Planning Policy Team, and included in the Council Tax Base calculation at parish level at assumed bandings,

before conversion to Band D equivalents. The estimated growth is 666 band D properties or 1.9%. This is slightly higher than the growth forecast for 2021/22 of 644 (1.8%) as we are still forecasting that the COVID-19 pandemic will have an impact on the housing market in 2022/23. The estimated growth by band can be found in Appendix 1.

### **Bad Debt Provision**

- 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 remained at the 2021/22 level. This forecast level is higher than the collection rate achieved in 2020/21 of 96.9% and of the forecast collection rate to be achieved in 2021/22 of 96.75% as we are expecting collection rates to recover to 2019/20 levels (97.6%) during 2022/23.
- 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. Due to the impact of COVID-19, the number of people claiming LCTS increased in 2020/21 but has reduced over the last year. A reduction in LCTS has the effect of increasing the tax base.

### **Local Council Tax Support Grant to Parish/Town Councils and Special Expenses**

- 3.6 In 2013/14, the Government replaced Council Tax Benefit Subsidy grant with Council Tax Support grant but reduced 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 did not receive the government grant in their own right and the District Council passed onto 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.
- 3.7 Cabinet agreed as part of the Medium-Term Financial Strategy report in October 2016 to reduce this grant to Town and Parish Councils by 25% per annum over a four-year period between 2017/18-2020/21. 2022/23 will be the second year of no grant funding being provided to Town and Parish Councils.
- 3.8 The Special Expense accounts also received a grant in relation to the Localisation of Council Tax Support in its entirety until 2020/21. It was agreed as part of the 2020/21 budget setting process to reduce the grant by 25% per annum over a four-year period between 2021/22 and 2024/25.

### **Town and Parish Precepts**

- 3.9 Appendix 3 shows total actual funding available for 2021/22 and estimated funding available for 2022/23. Although the estimates of the precepts for 2022/23 reflect changes in the tax base, no changes 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/decrease their precept. This table is therefore indicative only,

as we are yet to receive full and final details of precept changes from Town and Parish Councils, the deadline for responses is the 31 January 2022.

#### **4. NATIONAL NON DOMESTIC RATES (BUSINESS RATES)**

- 4.1 The funding system for Local Government from April 2012 includes the 'localisation' of business rates. As part of the Government's business rate distribution formula, North West Leicestershire is guaranteed a base level of funding which rises each year with inflation. On top of this, the Council retains a share of any growth above a baseline set when localisation commenced, and it is this accumulated growth that has significantly contributed to the Council's revenue budget in recent years.
- 4.2 There will at some point, as yet undecided by Government, be a reset of the system. At the point of the reset, accumulated growth will be removed from the system and this will have a significant negative impact on the Council's funding. It is possible, though by no means certain, that an announcement on the business rates reset will be made as part of the Local Government Finance Settlement (expected on 15 or 16 December).
- 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 NNDR1, which required formal approval. The expectation is that the approval process is to be in line with the approval of the Council Tax Base.
- 4.4 The calculations that feed into the NNDR1 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 2022/23 and will do so on or before the 31 January 2022 deadline.

<b>Policies and other considerations, as appropriate</b>	
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	Dan Bates Head of Finance and S151 Officer <a href="mailto:dan.bates@nwleicestershire.gov.uk">dan.bates@nwleicestershire.gov.uk</a>

Appendix 1

**COUNCIL TAX BASE**

<b>BAND</b>	<b>RATIO TO BAND D</b>	<b>NUMBER OF BAND D EQUIVALENTS AS AT 10 December 2021</b>	<b>Plus ESTIMATED GROWTH FOR 2022/23</b>	<b>Less NON COLLECTION RATE 0.025</b>	<b>COUNCIL TAX BASE 2022/23</b>
<b>A</b>	6/9	4,829	-9	121	4,699
<b>B</b>	7/9	8,954	125	227	8,852
<b>C</b>	8/9	6,148	119	157	6,110
<b>D</b>	9/9	6,195	125	158	6,162
<b>E</b>	11/9	5,507	179	142	5,544
<b>F</b>	13/9	2,588	112	68	2,632
<b>G</b>	15/9	1,496	32	38	1,490
<b>H</b>	18/9	92	2	2	92
<b>TOTALS</b>		<b>35,809</b>	<b>685</b>	<b>913</b>	<b>35,581</b>

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

Parish / Special Expense Area	Council Tax Base	
	2021/2022	2022/23
APPLEBY MAGNA	526	530
ASHBY DE LA ZOUCH	5,998	6,169
ASHBY WOULD'S	1,412	1,401
BARDON	10	10
BELTON	307	301
BREEDON-ON-THE-HILL	449	454
CASTLE DONINGTON	2,621	2,700
CHARLEY	77	76
CHILCOTE	55	56
COALVILLE	6,584	6,678
COLEORTON	573	580
ELLISTOWN AND BATTLEFLAT	840	799
HEATHER	365	367
HUGGLESCOTE AND DONINGTON LE HEATH	1,826	2,099
IBSTOCK	2,328	2,345
ISLEY WALTON-CUM-LANGLEY	31	29
KEGWORTH	1,292	1,281
LOCKINGTON-CUM-HEMINGTON	241	241
LONG WHATTON AND DISEWORTH	783	810
MEASHAM	1,681	1,696
NORMANTON-LE-HEATH	66	67
OAKTHORPE, DONISTHORPE AND ACRESFORD	881	904
OSGATHORPE	208	209
PACKINGTON	409	417
RAVENSTONE WITH SNIBSTON	1,030	1,059
SNARESTONE	139	144
STAUNTON HAROLD	63	60
STRETTON-EN-LE-FIELD	19	19
SWANNINGTON	470	468
SWEPSTONE	262	272
WHITWICK	2,697	2,724
WORTHINGTON	598	616
	34,841	35,581

APPENDIX 3

ESTIMATED PARISH PRECEPTS (BASED ON 2022/23 COUNCIL TAX BASE)

PARISH	Estimated Parish Precept available for 2021/22	2021/22 Grant	2021/22 Estimated Total Budget	Estimated Parish Precept available for 2022/23	2022/23 Grant	2022/23 Estimated Total Budget
APPLEBY MAGNA	25,000.00	0.00	25,000.00	25,190.00	0.00	25,190.00
ASHBY DE LA ZOUCH	514,808.34	0.00	514,808.34	529,485.00	0.00	529,485.00
ASHBY WOULD'S	118,617.00	0.00	118,617.00	117,693.00	0.00	117,693.00
BARDON		0.00	0.00	0.00	0.00	0.00
BELTON	30,000.00	0.00	30,000.00	29,414.00	0.00	29,414.00
BREEDON-ON-THE-HILL	26,472.00	0.00	26,472.00	26,767.00	0.00	26,767.00
CASTLE DONINGTON	378,198.00	0.00	378,198.00	389,597.00	0.00	389,597.00
CHARLEY	8,013.00	0.00	8,013.00	7,909.00	0.00	7,909.00
CHILCOTE	0.00	0.00	0.00	0.00	0.00	0.00
COALVILLE		0.00	0.00	0.00	0.00	0.00
COLEORTON	14,348.00	0.00	14,348.00	14,523.00	0.00	14,523.00
ELLISTOWN & BATTLEFLAT	67,439.20	0.00	67,439.20	64,148.00	0.00	64,148.00
HEATHER	13,500.00	0.00	13,500.00	13,574.00	0.00	13,574.00
HUGGLESCOTE & DONINGTON LE HEATH	124,405.00	0.00	124,405.00	143,004.00	0.00	143,004.00
IBSTOCK	250,000.00	0.00	250,000.00	251,826.00	0.00	251,826.00
ISLEY WALTON -CUM-LANGLEY	422.00	0.00	422.00	395.00	0.00	395.00
KEGWORTH	116,180.30	0.00	116,180.30	115,191.00	0.00	115,191.00
LOCKINGTON CUM HEMINGTON	18,000.00	0.00	18,000.00	18,000.00	0.00	18,000.00
LONG WHATTON & DISEWORTH	42,282.00	0.00	42,282.00	43,740.00	0.00	43,740.00
MEASHAM	117,116.00	0.00	117,116.00	118,161.00	0.00	118,161.00



<b>PARISH</b>	<b>Estimated Parish Precept available for 2021/22</b>	<b>2021/22 Grant</b>	<b>2021/22 Estimated Total Budget</b>	<b>Estimated Parish Precept available for 2022/23</b>	<b>2022/23 Grant</b>	<b>2022/23 Estimated Total Budget</b>
NORMANTON-LE-HEATH	0.00	0.00	0.00	0.00	0.00	0.00
OAKTHORPE, DONISTHORPE & ACRESFORD	81,000.00	0.00	81,000.00	83,115.00	0.00	83,115.00
OSGATHORPE	4,657.86	0.00	4,657.86	4,680.00	0.00	4,680.00
PACKINGTON	22,508.00	0.00	22,508.00	22,948.00	0.00	22,948.00
RAVENSTONE WITH SNIBSTON	75,000.00	0.00	75,000.00	77,112.00	0.00	77,112.00
SNARESTONE	10,000.00	0.00	10,000.00	10,360.00	0.00	10,360.00
STAUNTON HAROLD	203.00	0.00	203.00	193.00	0.00	193.00
STRETTON-EN-LE-FIELD	0.00	0.00	0.00	0.00	0.00	0.00
SWANNINGTON	31,837.00	0.00	31,837.00	31,702.00	0.00	31,702.00
SWEPSTONE	17,500.00	0.00	17,500.00	18,168.00	0.00	18,168.00
WHITWICK	271,941.00	0.00	271,941.00	274,663.00	0.00	274,663.00
WORTHINGTON	23,000.00	0.00	23,000.00	23,692.00	0.00	23,692.00