

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 14 JANUARY 2014

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|--|---|
| Title of report | COUNCIL TAX BASE 2014/15 |
| Key Decision | a) Financial Yes b) Community Yes |
| Contacts | Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicesterhire.gov.uk Chief Executive 01530 454500 christine.fisher@nwleicestershire.gov.uk Head of Finance 01530 454520 ray.bowmer@nwleicestershire.gov.uk |
| Purpose of report | To determine the Council Tax Base for the 2014-2015 Financial Year. |
| Reason for Decision | Statutory requirement to facilitate the setting of Council Tax for the forthcoming Financial Year. |
| Council Priorities | Value for Money Homes and Communities |
| Implications: Financial/Staff Link to relevant CAT Risk Management Equalities Impact Assessment Human Rights Transformational Government | These are set out in Section 2 of the report.. None. Controls are in place to ensure the correct calculation of the Council Tax Base. Not applicable. There are no Human Rights implications. Not applicable. |
| Comments of Head of Paid Service | The report is satisfactory |
| Comments of Section 151 Officer | As report author the report is satisfactory |

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| Comments of Monitoring Officer | The report is satisfactory |
| Consultees | None. |
| Background papers | None. |
| Recommendations | <ol style="list-style-type: none"> 1. THAT, SUBJECT TO THE APPROVAL OF REVISIONS TO THE LOCAL COUNCIL TAX SUPPORT SCHEME BY COUNCIL ON 21 JANUARY 2014, THE CALCULATION OF THE COUNCIL TAX BASE FOR EACH PARISH AND SPECIAL EXPENSE AREA FOR THE FINANCIAL YEAR 2014/2015, AS SHOWN IN APPENDIX 2 TO THE REPORT, BE APPROVED AND ADOPTED. 2. THAT, SUBJECT TO THE APPROVAL OF VARIATIONS TO THE LOCAL COUNCIL TAX SUPPORT SCHEME BY COUNCIL ON 21 JANUARY 2014, 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 2014/2015 SHALL BE 29,074. 3. THAT, SUBJECT TO THE APPROVAL OF VARIATIONS TO THE LOCAL COUNCIL TAX SUPPORT SCHEME BY COUNCIL ON 21 JANUARY 2014, THE AMOUNTS OF COUNCIL TAX SUPPORT GRANT FOR EACH TOWN AND PARISH COUNCIL DETAILED IN APPENDIX 3 BE APPROVED FOR THE FINANCIAL YEAR 2014/2015. 4. THAT DELEGATED AUTHORITY BE GIVEN TO THE HEAD OF FINANCE TO SUBMIT THE CALCULATIONS OF NON-DOMESTIC RATING INCOME AND OTHER AMOUNTS REQUIRED BY THE GOVERNMENT BY 31 JANUARY EACH YEAR FOR THE FORTHCOMING FINANCIAL YEAR. |

1.0 INTRODUCTION

- 1.1 The Local Government Finance Act 1992 requires that the calculation of the Council Tax Base for the financial year 2014/2015 be determined by no later than 31 January 2014. This is a necessary component in the setting of the 2014/2015 Council Tax. Cabinet has delegated powers from Council to approve the Council Tax Base.

2.0 FINANCIAL IMPLICATIONS

- 2.1 The Council Tax Base is a measure of the relative taxable capacity of the District (and of each part of the District as listed in Appendix 2). It is expressed as the equivalent number of B and D properties in each area. The Council Tax Base multiplied by the B and 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 is 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 on properties in other Bands is calculated on a pro-rata 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 2014/2015 once the Council Tax Base has been determined.

3.0 CALCULATION OF COUNCIL TAX BASE

3.1 The Council Tax Base calculation for the financial year 2014/2015 has been carried out in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended). Appendix 1 shows the actual number of Band D equivalent properties on the Council Tax database as at 30th November 2013 for each Parish and Special Expense area.

3.2 A bad debt provision of 2% of the base has been applied to allow for non collection and banding appeals.

3.3 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 Expenses and Parish Precepts to the Council Tax payers of the appropriate parts of the District.

3.4 On 1 April 2013 Council Tax Benefit was replaced by a new Local Council Tax Support Scheme. The Cabinet has been asked to recommend revisions to the Scheme to Council on 21 January 2014 which, if agreed, will have an impact on the 2014/15 Council Tax Base. The new support scheme introduced new discounts into the Council Tax Base calculation, which reduced the tax base significantly in comparison to previous years. The revisions being recommended to Council will reduce the level of Council Tax Support Discounts given which will in turn increase the Council Tax Base.

3.5 At the same time 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. Funding was reduced further for 2014/15 following the withdrawal of transitional funding. The grant is intended to pay for the Council Tax Support Discounts. Town and Parish Councils do not receive these Government grants in their own right and the District Council intends to continue to pass on to them an element of its own grant to compensate them for the Council Tax Discounts in 2014/15 as it did in 2013/14. The increase in the Council Tax income caused by the proposed revisions to the Council Tax Support Scheme means that Town and Parish Councils will need less grant from the District Council to maintain their level of funding.

- 3.6 The Council's Council Tax Support Grant for 2014/15 is now included in mainstream Government funding but the Government maintains that this element remains unchanged at £755,753. Whilst the District Council is under no obligation to pass on this grant, the Cabinet is recommended to allocate part of its grant to Towns and Parish Councils again in this year's budget to assist them in maintaining their current level of funding. The District Council has calculated that a total £83,388 is needed in grant support to maintain existing funding levels.
- 3.7 The attached Appendix 3 shows the proposed allocation of Council Tax Support grant to Town and Parish Councils. It compares the Council Tax Base before and after the changes for the Council Tax Support Scheme together with empty property discounts and then allocates an amount of grant which allows existing levels of funding to be maintained in 2014/15. The Towns and Parishes can use the grant to lower their precepts whilst maintaining the same level of income. This will mean their Council Taxes need not increase as a result of the smaller Council Tax Base.

4.0 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 will initially retain 40% of all business rates collected within the District, 9% will go to Leicestershire County Council, 1% will go to Fire Authority, and the remaining 50% known as the "central share" will go to Central Government. The Government will then redistribute the central share to Local Authorities using formula grant methodology. There is however also a complex system of "top-ups" "tariffs" and "levies" which results in the District as a "tariff" authority paying the bulk of its 40% back to Central Government.
- 4.2 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 rate income has become a fundamental part of the new funding system for Local Government, the Department of Communities and Local Government (DCLG) has introduced a requirement for the 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.
- 4.3 The NNDR1 form has not yet been received by the Council and typically it would not be completed until shortly before the 31 January deadline. In view of the timing Cabinet is being requested to give delegated authority to the Head of Finance as the Council's Chief Finance Officer to approve and submit the form for 2014/15 and future financial years.

APPENDIX 1

| BAND | RATIO TO BAND D | NUMBER OF BAND D EQUIVALENTS AS AT 30 NOV. 2013 | NON COLLECTION RATE 2% | COUNCIL TAX BASE 2014/15 |
|---------------|------------------------|--|-------------------------------|---------------------------------|
| A | 6/9 | 4,402 | 88 | 4,314 |
| B | 7/9 | 7,698 | 153 | 7,545 |
| C | 8/9 | 5,254 | 105 | 5,149 |
| D | 9/9 | 5,038 | 101 | 4,937 |
| E | 11/9 | 3,990 | 80 | 3,910 |
| F | 13/9 | 1,865 | 37 | 1,828 |
| G | 15/9 | 1,336 | 27 | 1,309 |
| H | 18/9 | 84 | 2 | 82 |
| TOTALS | | 29,667 | 593 | 29,074 |

**COUNCIL TAX BASE 2014/2015
PARISH AND SPECIAL EXPENSE AREAS**

| Parish / Special Expense Area | Council Tax Base | |
|---|------------------|---------------|
| | 2013/2014 | 2014/2015 |
| APPLEBY MAGNA | 413 | 420 |
| ASHBY DE LA ZOUCH | 4512 | 4621 |
| ASHBY WOULD'S | 1051 | 1068 |
| BARDON | 13 | 12 |
| BELTON | 277 | 289 |
| BREEDON-ON-THE-HILL | 382 | 388 |
| CASTLE DONINGTON | 2082 | 2185 |
| CHARLEY | 77 | 77 |
| CHILCOTE | 56 | 56 |
| COALVILLE | 5515 | 5640 |
| COLEORTON | 498 | 518 |
| ELLISTOWN AND BATTLEFLAT | 754 | 761 |
| HEATHER | 303 | 308 |
| HUGGLESCOTE AND DONINGTON LE HEATH | 1227 | 1236 |
| IBSTOCK | 1750 | 1786 |
| ISLEY WALTON-CUM-LANGLEY | 27 | 27 |
| KEGWORTH | 1068 | 1125 |
| LOCKINGTON-CUM-HEMINGTON | 234 | 238 |
| LONG WHATTON AND DISEWORTH | 714 | 728 |
| MEASHAM | 1411 | 1460 |
| NORMANTON-LE-HEATH | 62 | 62 |
| OAKTHORPE, DONISTHORPE AND ACRESFORD | 748 | 763 |
| OSGATHORPE | 177 | 179 |
| PACKINGTON | 344 | 348 |
| RAVENSTONE WITH SNIBSTON | 738 | 742 |
| SNARESTONE | 122 | 123 |
| STAUNTON HAROLD | 59 | 61 |
| STRETTON-EN-LE-FIELD | 18 | 19 |
| SWANNINGTON | 434 | 430 |
| SWEPSTONE | 250 | 252 |
| WHITWICK | 2588 | 2620 |
| WORTHINGTON | 527 | 532 |
| TOTALS | 28,431 | 29,074 |

APPENDIX 3

| PARISH | 2013/14 Parish Total Budget Requirement £ | 2014/15 Estimated Parish Precept £ | 2014/15 Recommended Grant £ | 2014/15 Total Estimated Parish Total Budget Requirement £ |
|---------------------------------------|--|---|--|--|
| APPLEBY MAGNA | 14,500 | 13,562 | 938 | 14,500 |
| ASHBY DE LA ZOUCH | 346,200 | 321,437 | 24,763 | 346,200 |
| ASHBY WOULD'S | 92,150 | 80,079 | 12,071 | 92,150 |
| BELTON | 15,000 | 14,213 | 787 | 15,000 |
| BREEDON-ON-THE-HILL | 13,000 | 12,125 | 875 | 13,000 |
| CASTLE DONINGTON | 166,320 | 161,603 | 4,717 | 166,320 |
| CHARLEY | 3,250 | 3,068 | 182 | 3,250 |
| COLEORTON | 14,000 | 13,815 | 185 | 14,000 |
| ELLISTOWN & BATTLEFLAT | 50,000 | 47,243 | 2,757 | 50,000 |
| HEATHER | 11,497 | 10,444 | 1,053 | 11,497 |
| HUGGLESCOTE & DONINGTON LE HEATH | 25,505 | 23,620 | 1,885 | 25,505 |
| IBSTOCK | 125,000 | 117,501 | 7,499 | 125,000 |
| ISLEY WALTON -CUM-LANGLEY | 395 | 368 | 27 | 395 |
| KEGWORTH | 95,000 | 92,081 | 2,919 | 95,000 |
| LOCKINGTON CUM HEMINGTON | 8,200 | 7,854 | 346 | 8,200 |
| LONG WHATTON & DISEWORTH | 30,500 | 29,906 | 594 | 30,500 |
| MEASHAM | 101,764 | 92,856 | 8,908 | 101,764 |
| OAKTHORPE, DONISTHORPE & ACRESFORD | 44,000 | 39,989 | 4,011 | 44,000 |
| OSGATHORPE | 3,984 | 3,793 | 191 | 3,984 |
| PACKINGTON | 19,000 | 19,220 | - | 19,220 |
| RAVENSTONE WITH SNIBSTON | 46,063 | 42,813 | 3,250 | 46,063 |
| SNARESTONE | 6,176 | 6,176 | - | 6,176 |
| STAUNTON HAROLD | 100 | 103 | - | 103 |

| PARISH | 2013/14 Parish Total Budget Requirement £ | 2014/15 Estimated Parish Precept £ | 2014/15 Recommended Grant £ | 2014/15 Total Estimated Parish Total Budget Requirement £ |
|----------------------|--|---|--|--|
| SWANNINGTON | 19,954 | 17,832 | 2,122 | 19,954 |
| SWEPSTONE | 5,126 | 5,128 | - | 5,128 |
| WHITWICK | 31,050 | 28,427 | 2,623 | 31,050 |
| WORTHINGTON | 9,000 | 8,315 | 685 | 9,000 |
| Sub-Totals | 1,296,734 | 1,213,571 | 83,388 | 1,296,959 |
| BARDON | - | - | - | - |
| CHILCOTE | - | - | - | - |
| NORMANTON-LE-HEATH | - | - | - | - |
| STRETTON-EN-LE-FIELD | - | - | - | - |
| COALVILLE | - | - | - | - |
| TOTAL | 1,296,734 | 1,213,571 | 83,388 | 1,296,959 |