

NORTH LINCOLNSHIRE COUNCIL

COUNCIL

CALCULATING THE COUNCIL TAX BASE FOR 2015/2016

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To consider and approve the Council Tax base to be used for each part of the Council's area for formula grant and tax setting purposes.
- 1.2 The key elements of this report are:
 - To note the council tax base, for grant purposes, at 17 October 2014, as submitted to the Department of Communities and Local Government (CLG)
 - To set a taxbase for setting Council Tax for the Council, Local Parishes and major precepting authorities;
 - To decide whether to make payment of grant to parish councils to compensate for the reduction in council tax base, due to the Council Tax Support Scheme and on what terms.

2. BACKGROUND INFORMATION

- 2.1 North Lincolnshire Council has the power in statute to raise a tax on households in its area to pay for the provision of local services. It is designated as the billing authority for the area. This means that it is responsible for levying a council tax to meet its own demands and to meet the precepts of lower and higher tier authorities in the area. The precepting bodies are:

- Parish and town councils in North Lincolnshire
- Humberside Police Commissioner
- Humberside Fire Authority

It also provides details of its taxbase to levying bodies to which it must pay a contribution for the cost of services provided in the area. That includes the Environment Agency (Anglian and Severn Trent Regions) and the Port Health Authority.

- 2.2 Section 33 of the Local Government Finance Act 1992 requires the council to determine its tax base for council tax purposes each year. The council keeps a database of the properties in its area. This is the basis on which the council tax is raised. Properties are recorded in 8 national bands by value (A to H) as determined by the independent Valuation Office Agency. Band H taxpayers pay twice as much as those in band D and three times as much as those in band A. The

number of properties is expressed as a number of Band D equivalent properties for the purposes of calculating what £1 on the council tax would raise.

- 2.3 All precepting bodies have a right to request in writing the tax base figure for the area or their part of the area in the period 1 December to 31 January in advance of the relevant tax year. It is this taxbase that they will use to calculate a precept to fund their services which they will direct the council to collect on their behalf. The taxbase is subject to change as new properties are built or converted and old properties demolished, so the taxbase needs to be recalculated each year. Government also requires information on the council taxbase to determine the council's share of national grant funding.
- 2.4 North Lincolnshire Council will use the tax base to calculate a combined council tax requirement for 2015/16 for itself, Humberside Police & Crime Commissioner, Humberside Fire Authority and parish councils. The Council tax collected is pooled in a collection fund and then distributed to North Lincolnshire Council and the precepting bodies on the basis of their tax decisions.
- 2.5 The Council Tax Support Scheme was introduced in 2013/14. It replaced Council Tax Benefit with a discount. The effect of this was to reduce the Council Tax Base and therefore the amount of Council Tax an area would yield. Central Government provided funding to notionally meet 90% of the costs of these changes. Government does not have a mechanism to directly reimburse Town and Parish Councils. The funding for these bodies was paid to a higher tier council in the Town or Parishes area. The higher tier council was given full discretion to decide what level of support, if any, it provided to its local Parishes.
- 2.6 For 2013/14 and 2014/15 this council provided financial support to parish and town councils to offset these losses, subject to certain conditions. It is necessary for this council to take decisions on whether to continue providing support to parish and town councils and if so whether to vary the conditions imposed last year.

3. **OPTIONS FOR CONSIDERATION**

Tax Base for Grant Purposes

- 3.1 The government uses tax base data when it determines the amount of formula grant to be paid to each local authority. It makes use of the CTB1 form which billing authorities are required to submit every October.
- 3.2 Government assumes that the council will be able to collect 100% of the tax it levies on this base and uses the information to determine the council's share of formula grant. This gives a band D equivalent taxbase of 53,415.9 (**see Appendix A**)
- 3.3 To determine the Tax Base for Council Tax purposes for the council and those which precept on it, the CTB1 taxbase is adjusted to take

account of projected changes in the valuation list and likely levels of discounts and exemptions for 2015/16.

- 3.4 The Localised Council Tax Reduction Scheme operates as a Council Tax discount, reducing the overall taxbase. The total amount of estimated support to be awarded for the financial year is converted to the equivalent Band D figure and deducted from the gross taxbase. This has been calculated using the tax take and estimated council tax discounts for 2014/15.
- 3.5 Current estimated council tax support discounts for 2014/15 are £12m. No material change is anticipated for 2015/16. There are a range of other long-standing council tax discounts for disabilities, single occupancy and empty properties. No changes are proposed to these, as the first two are set nationally and the policy on empty properties was reviewed last year.
- 3.6 The estimated taxbase for 2015/16 is therefore **45,103.1** band D equivalent properties.
- 3.7 The actual amount collected in any year may differ from the estimate so that a surplus or deficit can arise on the Collection Fund. This surplus or deficit is shared between the council and the major precepting authorities and applied in the following year as required by legislation.
- 3.8 The result of this calculation is the taxbase for the Council, local parishes and the police and fire authorities. These figures are shown in **Appendix B**.

Support for Parish and Town Councils

- 3.9 The council has discretion as to the degree of support it provides to Town and Parish councils to compensate them for the reduction in their council tax base following the introduction of the Council Tax Reduction Scheme.
- 3.10 The Government has provided sufficient funding in general grant to enable a similar level of support to be offered to parishes as in 2014/15.
- 3.11 This year it is proposed to offer Parishes the same amount of grant as they were offered last year, as set out at **Appendix C**. It is further proposed not to impose any conditions on this offer of grant except that if a parish reduces its Band D council tax it would receive a proportionately reduced amount of grant.

4. ANALYSIS OF OPTIONS

- 4.1 To reduce the costs of the discount scheme the Council decided to reduce the discount for working age claimants and to reduce the number of months that an empty property is exempt from Council Tax.

4.2 There is discretion in estimating the council tax collection rate. For 2015/16 it is considered prudent to assume a 98.5% collection rate. This is the same as the assumption for 2014/15. As detailed at Appendix B this results in an estimated tax base of 45,103.1 band D equivalents.

4.3 Regarding support to Town and parish councils in respect of compensating them for tax base reductions arising from the introduction of localised council tax support, the council can retain or amend the scheme used last year. Alternatively it could provide no support, or full support whatever the increase in the Band D council tax levied.

5. **RESOURCE IMPLICATIONS (FINANCIAL,STAFFING,PROPERTY,IT)**

5.1 Financial

The taxbase increases by 1.47% from 2014/15 which equates to an increased yield of £0.8m at the current band D level of tax.

5.2 Staffing

There are no implications on staffing levels.

6. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION17 – CRIME AND DISORDER, RISK AND OTHER**

6.1 Statutory

The Council must calculate the tax base each year in accordance with The Local Authorities (Calculation of Tax Base) Regulations 1992.

6.2 Risk

If collection rates fall there is a risk that a deficit may arise on the fund, which would need to be made up in a subsequent year. However the fund has a track record of high collection rates, fund surpluses and low levels of council tax write offs which suggest the current risk is only moderate. Allowance for difficulties in the collection of tax by retaining the expected collection rate at 98.5%, has been made.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 7.1 Although no formal consultation was undertaken last year, two letters were received requesting the council reconsiders the condition that was imposed that larger parish and town councils which increased their Band D council tax would receive no grant.

8. RECOMMENDATIONS

- 8.1 That the council tax base for the council, parishes and major precepting bodies in 2015/16, as set out in Appendix B, is approved (total 45,103.1 band D equivalents).
- 8.2 That council considers providing grant support to parishes with the conditions as outlined in paragraph 3.11 of this report.

DIRECTOR OF POLICY AND RESOURCES

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Background Papers used in the preparation of this report -

Local Government Finance Act 1992
Local Government Finance Act 2003
Local Government Finance Act 2012
The Local Authorities (Calculation of Council Tax Base Regulations 1992 and 1994)
Valuation Lists

APPENDIX A

TAX BASE FOR REVENUE SUPPORT GRANT PURPOSES (CTB1 2015/2016)

	Band A dis relief	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL
PROPERTIES ON LIST AT 06/10/2014		35,200	15,093	11,024	7,314	3,587	1,435	488	29	74,170
VALUATION ADJ		0	0	0	0	0	0	0	0	0
LESS EXEMPT PROPERTIES		-727	-125	-115	-42	-11	-5	-5	-3	-1,033
LESS DISABLEDS		-153	-79	-119	-74	-47	-35	-26	-16	-549
PLUS DISABLEDS	153	79	119	74	47	35	26	16	0	549
SUB TOTAL	153	34,399	15,008	10,864	7,245	3,564	1,421	473	10	73,137
25% SRD DISCOUNTS	-52	-14,561	-4,802	-2,890	-1,271	-498	-167	-53	0	-24,294
25% DISREGARD DISCOUNTS	-8	-240	-122	-85	-41	-17	-4	-2	0	-519
50% 2ND HOME DISCOUNTS	0	-1	0	0	0	0	0	0	0	-1
50% DISREGARD DISCOUNTS	-5	-29	-21	-19	-13	-20	-19	-17	0	-143
50% Empty property	0	-41	-9	-12	-5	-4	-1	0	0	-72
100% Discount long term empty	0	-428	-190	-110	-65	-27	-14	-1	0	-835
NO DISCOUNTS	88	19,099	9,864	7,748	5,850	2,998	1,216	400	10	47,273
TOTAL ADJUSTED	136	30,235	13,572	9,995	6,843	3,396	1,354	450	10	65,991
Reduction due to Family Annex Discount	0	13	0	0	0	0	0	0	0	13
RATIO	5	6	7	8	9	11	13	15	18	
BAND D EQUIVALENT	75	20,149	10,556	8,884	6,843	4,151	1,956	750	20	53,384

MINISTRY OF DEFENCE CONTRIBUTION 32
TOTAL TAXBASE FOR RSG PURPOSES 53,415.9

Appendix B

TAX BASE(Whole/Part Areas)				
LOCAL TAX BASE				
Parish or Area	Band D	Reduction 1.5%	MOD	Local Tax Base
	equivalent	non collection	Contribution	
Alkborough	157.5	2.4		155.1
Amcotts	76.4	1.1		75.3
Appleby	221.6	3.3		218.3
Ashby Parkland	172.2	2.6		169.6
Barnetby-le-Wold	499.2	7.5		491.7
Barrow-on-Humber	959.3	14.4		944.9
Barton-upon-Humber	3,165.1	47.5		3,117.6
Belton	1,067.6	16.0		1,051.6
Bonby	186.8	2.8		184.0
Bottesford	3,534.4	53.0		3,481.4
Brigg	1,580.0	23.7		1,556.3
Broughton	1,627.7	24.4		1,603.3
Burringham	196.3	2.9		193.4
Burton-upon-Stather	946.1	14.2		931.9
Cadney-cum-Howsham	155.0	2.3		152.7
Crowle	1,472.4	22.1		1,450.3
East Butterwick	43.3	0.6		42.7
East Halton	199.3	3.0		196.3
Eastoft	136.0	2.0		134.0
Elsham	162.2	2.4		159.8
Epworth	1,487.6	22.3		1,465.3
Flixborough	518.5	7.8		510.7
Garthorpe & Fockerby	124.3	1.9		122.4
Goxhill	759.9	11.4		748.5
Gunness	596.0	8.9		587.1
Haxey	1,602.9	24.0		1,578.9
Hibaldstow	724.2	10.9		713.3
Holme	39.8	0.6		39.2
Horkstow	56.6	0.8		55.8
Keadby with Althorpe	456.3	6.8		449.5
Kirmington & Croxton	120.8	1.8		119.0
Kirton-in-Lindsey	978.5	14.7	32.2	996.0
Luddington	112.7	1.7		111.0
Manton	42.0	0.6		41.4
Melton Ross	62.3	0.9		61.4
Messingham	1,260.1	18.9		1,241.2
New Holland	227.5	3.4		224.1
North Killingholme	83.0	1.2		81.8
Owston Ferry	412.1	6.2		405.9
Redbourne	147.2	2.2		145.0
Roxby-cum-Risby	149.5	2.2		147.3
Saxby-all-Saints	88.4	1.3		87.1
Scawby-cum-Sturton	783.2	11.7		771.5
Scunthorpe	14,220.5	213.3		14,007.2
South Ferriby	202.0	3.0		199.0
South Killingholme	272.5	4.1		268.4
Thornton Curtis	97.5	1.5		96.0
Ulceby	499.8	7.5		492.3
West Butterwick	237.1	3.6		233.5
West Halton	113.1	1.7		111.4
Whitton	83.7	1.3		82.4
Winteringham	322.4	4.8		317.6
Winterton	1,273.5	19.1		1,254.4
Wootton	174.1	2.6		171.5
Worlaby	189.5	2.8		186.7
Wrawby	506.7	7.6		499.1
Wroot	172.6	2.6		170.0
Whole Area	45,756.8	685.9	32.2	45,103.1

INDICATIVE FIGURES ONLY

Parish/Town or Area	Column A	Column B	Column C	Column D	Column E
	Council Taxbase 2015/16	Band D Council Tax	Council Tax Yield/ Assumed Precept	Maximum Grant	(Column A times Column B plus Column D)
Alkborough	155.1	23.81	3,693	326	4,019
Amcotts	75.3	24.47	1,843	216	2,059
Appleby	218.3	25.61	5,591	402	5,993
Ashby Parkland	169.6	17.81	3,021	528	3,549
Barnetby-le-Wold	491.7	43.65	21,463	2,629	24,092
Barrow-on-Humber	944.9	31.01	29,301	1,544	30,845
Barton-upon-Humber	3,117.6	45.47	141,757	23,408	165,165
Belton	1,051.6	13.02	13,692	1,312	15,004
Bonby	184.0	57.19	10,523	857	11,380
Bottesford	3,481.4	26.41	91,944	7,898	99,842
Brigg	1,556.3	65.92	102,591	16,398	118,989
Broughton	1,603.3	55.20	88,502	11,469	99,971
Burringham	193.4	50.46	9,759	2,019	11,778
Burton-upon-Stather	931.9	44.84	41,786	3,303	45,089
Cadney-cum-Howsham	152.7	40.50	6,184	437	6,621
Crowle	1,450.3	39.08	56,678	7,260	63,938
East Butterwick	42.7	14.73	629	149	778
East Halton	196.3	16.29	3,198	266	3,464
Eastoft	134.0	24.50	3,283	456	3,739
Elsham	159.8	39.28	6,277	317	6,594
Epworth	1,465.3	35.91	52,619	5,132	57,751
Flixborough	510.7	22.15	11,312	947	12,259
Garthorpe & Fockerby	122.4	48.18	5,897	968	6,865
Goxhill	748.5	53.89	40,337	4,154	44,491
Gunness	587.1	46.68	27,406	6,930	34,336
Haxey	1,578.9	20.43	32,257	2,778	35,035
Hibaldstow	713.3	18.42	13,139	1,854	14,993
Holme	39.2	5.99	235	11	246
Horkstow	55.8	26.88	1,500	102	1,602
Keadby with Althorpe	449.5	54.26	24,390	5,332	29,722
Kirmington & Croxton	119.0	59.19	7,044	1,586	8,630
Kirton-in-Lindsey	996.0	87.45	87,100	7,166	94,266
Luddington	111.0	30.75	3,413	664	4,077
Manton	41.4	0.00	0	0	0
Melton Ross	61.4	45.66	2,804	501	3,305
Messingham	1,241.2	34.94	43,368	3,699	47,067
New Holland	224.1	35.77	8,016	2,013	10,029
North Killingholme	81.8	54.76	4,479	604	5,083
Owston Ferry	405.9	26.74	10,854	1,507	12,361
Redbourne	145.0	45.10	6,540	821	7,361
Roxby-cum-Risby	147.3	34.20	5,038	432	5,470
Saxby-all-Saints	87.1	39.79	3,466	362	3,828
Scawby-cum-Sturton	771.5	34.47	26,594	2,599	29,193
South Ferriby	199.0	59.77	11,894	1,961	13,855
South Killingholme	268.4	44.29	11,887	3,286	15,173
Thornton Curtis	96.0	25.44	2,442	172	2,614
Ulceby	492.3	21.51	10,589	2,055	12,644
West Butterwick	233.5	0.00	0	0	0
West Halton	111.4	41.22	4,592	565	5,157
Whitton	82.4	29.99	2,471	126	2,597
Winteringham	317.6	36.10	11,465	1,381	12,846
Winterton	1,254.4	83.95	105,307	18,589	123,896
Wootton	171.5	23.90	4,099	253	4,352
Worlaby	186.7	53.40	9,970	817	10,787
Wrawby	499.1	18.72	9,343	640	9,983
Wroot	170.0	57.85	9,835	718	10,553
Parish and Town Total	31,095.9		1,253,417	161,919	1,415,336
Scunthorpe	14,007.2	33.00	462,237	122,073	584,310
Total	45,103.1		1,715,654	283,992	1,999,646