

NORTH LINCOLNSHIRE COUNCIL

COUNCIL

CALCULATING THE COUNCIL TAX BASE 2024/25

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, as submitted to the Department for Levelling Up, Housing and Communities (DLUHC).
 - To set a tax base for setting Council Tax for the council, local parishes and major precepting authorities.
 - To confirm the implementation of the empty property surcharge for properties empty for between 12 and 23 months from 2024/25.

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:

- Humberside Police and Crime Commissioner
- Humberside Fire Authority
- Parish and Town Councils in North Lincolnshire

It also provides details of its tax base 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 and the Local Authorities (Calculation of Tax Base) Regulations 2012 requires the council to determine its tax base for council tax purposes each year. This is the basis on which the council tax is raised. The Council keeps a database of the properties in its area. 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 receive the tax base figure for the area or their part of the area no earlier than 1 December and no later than 31 January in advance of the relevant tax year. It is this tax base that they will use to calculate a precept to fund their services, which they will direct the Council to collect on their behalf. The tax base is subject to change as new properties are built or converted and old properties demolished, so the tax base needs to be recalculated each year. The Government also requires information on the council tax base to determine the council's share of national grant funding and notional spending power.
- 2.4. North Lincolnshire Council will use the tax base to calculate a combined council tax requirement for 2024/25 for itself, Humberside Police & Crime Commissioner, Humberside Fire Authority and Parish and Town Councils. The council tax collected is pooled in a collection fund and then distributed to North Lincolnshire Council and the precepting bodies, based on their tax decisions.
- 2.5. The calculation of the tax base is informed by the number of Band D equivalent properties and is adjusted by anticipated collection rates and the cost of applicable discounts made to relevant households. This includes several nationally determined discounts and the local Council Tax Support Scheme (CTSS). The CTSS requires working age households to pay a proportion of their council tax bill.

3. OPTIONS FOR CONSIDERATION

- 3.1. To note the council tax base applied for grant purposes.
- 3.2. To maintain the current level of council tax support scheme and discretionary reliefs.
- 3.3. To set the council tax base for the council, parishes and major precepting bodies in 2024/25.
- 3.4. To confirm the application of a 100% surcharge for properties empty for between 12 and 23 months (previously only charged on properties that have been empty longer than 24 months).

4. ANALYSIS OF OPTIONS

Tax Base for Grant Purposes 2024/25

- 4.1. The Government uses taxbase data when it determines the amount of formula grant to be paid to each local authority. It makes use of the CTB form which billing authorities are required to submit every October. The submission is summarised in Appendix 1. The Government uses this

information to determine the council's share of formula grant. This data is also used by Government to notionally estimate the Council's spending power, published in the Local Government finance settlement.

Tax Base for Council Tax Purposes 2024/25

- 4.2. To determine the taxbase for Council Tax purposes for the council and those which precept on it, a comprehensive calculation is carried out which makes a series of adjustments to the gross taxbase to result in a revised estimate which provides the basis for the council tax requirement.
- 4.3. The gross taxbase is equivalent to the number of properties on the rating list at a point in time. A series of national discounts and exemptions are applied to the gross taxbase, together with local discounts (CTSS) and the empty property surcharge. Officer judgements in respect of property growth, non-collection and other adjustments then combine into a taxbase estimate.
- 4.4. Appendix 2 sets out the calculation steps which demonstrate how the revised taxbase has been arrived at and includes commentary which sets out the key assumptions which support the taxbase estimate. This report proposes a taxbase of 51,824.10 band D equivalents, which represents a 1.1% increase from the approved 2023/24 taxbase.
- 4.5. There remain short and medium-term risks to the taxbase associated with ongoing economic pressures to the cost of living as well as uncertainty and risks around the Steelworks and associated business in Scunthorpe which could increase the risk of non-collection. The Council maintains a robust taxbase management processes to ensure line of sight in respect of material changes to the assumed position.
- 4.6. The taxbase increase referred to in 4.4 comprises adjustments in respect of the following (with band D impact):
 - An increase in the number of gross properties (463)
 - Assumed collection rate percentage remaining at 98%
 - Reduction in empty property surcharge cases (100 – see 4.7)
 - A natural reduction in council tax support recipients (273)
 - An increase in the number of single adult households (100)
 - An increase in exempt properties (127)

Further detail on each factor can be found in appendix 2.

- 4.7. The Council operates surcharges on properties empty for longer than two years, five years and 10 years (100%, 200% and 300% respectively) to stimulate a reduction in the number of long-term empty properties, in support of the Council's priority to have flourishing communities. Commencing in 2021 legislation was introduced that allowed billing authorities to charge council taxpayers a 300% premium for properties empty for 10 years or longer. This surcharge was implemented for properties empty for over ten years from 2023/24. Further legislation was introduced in 2023 allowing billing authorities to charge council taxpayers a 100% premium for properties

that have been empty for 12 month and over rather than from the existing 24 month period. Further details on the surcharge can be found in appendix 2.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1. The Council must calculate the tax base each year in accordance with The Local Government Finance Act 1992 and The Local Authorities (Calculation of Tax Base) Regulations 2012.
- 5.2. Changes to the taxbase increase the tax base by 1.1% from the 2023/24 base, reflecting an increase in resources of £0.9m in 2024/25 at the current North Lincolnshire Council band D level of tax.
- 5.3. 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 is applied in the following year as required by legislation. If long-term collection rates fall below that assumed, 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 long-term collection rates, and low levels of council tax write offs suggesting moderate risk.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

- 6.1. Not applicable.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 7.1. No impact assessment is required for the purpose of this report.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 8.1. Whilst no consultation is required to adopt the legislative changes to the empty property surcharge, as when previous surcharges were introduced, awareness raising communications will be issued.

9. RECOMMENDATIONS

- 9.1. That the council taxbase for grant purposes is noted (appendix 1).
- 9.2. That the council taxbase for the Council and other precepting bodies in 2024/25 be set at 51,824.10 band D equivalents (appendix 2 and 3).
- 9.3. That the empty property surcharge 100% premium be charged to properties when they become empty for 12 months and over from 2024/25.

DIRECTOR: OUTCOMES

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Background Papers used in the preparation of this report

Local Government Finance Act 1992, 2003, 2012

The Local Authorities (Calculation of Council Tax Base Regulations 1992, 1994 and 2012)

Local Government and Public Involvement in Health Act 2007 - The North Lincolnshire Council (Reorganisation of Community Governance) Order 2017

The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

CTB (October 2023) Submission to DLUHC

COUNCIL TAX BASE FOR GRANT PURPOSES

Appendix 1

Data Extracted from CTB1 Form	Band A (disabled relief)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	TOTAL
Number of dwellings equivalents	172.3	30,956.0	14,544.3	10,442.5	7,254.8	3,775.5	1,595.5	509.0	10.0	69,259.8
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Total number of band D equivalents	95.7	20,637.3	11,312.2	9,282.2	7,254.8	4,614.5	2,304.6	848.3	20.0	56,369.6
Band D equivalents in lieu (MOD Properties)										9.0
Tax base for Grant Purposes										56,378.6

Table 1 – Council Tax Base Calculation Summary

Council Tax Base Calculation Summary	Band D Equivalents		*Total Yield (£000)*	
	2023/24	2024/25	2023/24	2024/25
Gross Properties	62,203.9	62,666.8	102,206	102,966
National Discounts and Exemptions:				
Exempt properties	(990.2)	(1,117.0)	(1,627)	(1,835)
Disabled reduction	(86.1)	(84.8)	(141)	(139)
Single person discount	(4,932.0)	(4,988.4)	(8,104)	(8,196)
25% discounts (DSGD)	(127.4)	(130.6)	(209)	(215)
50% discounts (DSGD)	(92.3)	(94.9)	(152)	(156)
Family annex discount	(10.4)	(11.1)	(17)	(18)
Council Tax Support Scheme:				
Pensioner	(2,633.3)	(2,468.4)	(4,327)	(4,056)
Working Age	(1,800.2)	(1,742.3)	(2,958)	(2,863)
Technical Increases to Taxbase:				
Empty property premium (>2 years)	202.8	95.6	333	157
Empty property premium (>5 years)	168.3	66.7	276	110
Empty property premium (>10 years)	-	30.2	-	50
MoD properties	12.4	9.0	20	15
Taxbase Adjustments & Assumptions:				
Property growth	351.4	472.1	577	776
Natural reduction in CTSS recipients	49.6	99.9	82	164
Empty property premium (12-24 months)	-	79.1	-	130
General Non-Collection Adjustment	(1,046.0)	(1,057.8)	(1,719)	(1,738)
Council Tax Base	51,270.5	51,824.1	84,241	85,151

* 2023/24 band D rate (general rate plus ASC precept) £1,643.07

Table 2 – Council Tax Base and Rate Regional Comparison

2023/24 Council Tax Base, Rate and Yield Comparator Analysis	Band D Taxbase	Band D Rate (£)	Yield (£000)
North Lincolnshire	51,270.50	1,643.07	84,241
North East Lincolnshire	45,710.40	1,787.25	81,696
East Riding of Yorkshire	122,527.80	1,697.47	207,987
Hull	64,983.00	1,618.83	105,196

Analysis of Council Tax Base

1. This appendix sets out further information around the adjustments made to the gross taxbase to result in the taxbase for budget setting purposes, supported by data, trends and other information as appropriate.

Property Growth

2. The Valuation Office Agency (VOA) maintain a list of domestic properties, which the Council must then bill from. As a minimum, the VOA report weekly changes to the rating list, incorporating additions and deletions, and other changes. On the rating list at 11/09/2023, the Council had 77,442 properties which converts to 62,666.8 band D properties. This means the average property in North Lincolnshire is either a band B or C property.
3. Since last year, the taxbase has grown by 515 properties equating to 463 band D equivalents. In the twelve months previously, there had been 382 property completions equating to 354 band D equivalents. Forward growth has been assumed in the calculation to reflect property completions informed the Council's 5-year housing plan for larger developments and average forward growth assumed for smaller developments to reflect property completions between during 2024/25.

National Discounts and Exemptions

4. There are a series of centrally determined council tax discounts and exemptions, such as the 25% single person discount and disabled banding relief. A discount or exemption reduces the collectable taxbase. The majority of discounts and exemptions tend to remain fairly static over time, with some fluctuation in year.
5. The single person discount and properties where all but one occupant is disregarded (25% discounts) had steadily grown over recent years. It is currently applied to over 27,000 properties representing almost 35% of the gross tax base in which and is anticipated to continue at these levels during 2024/25. It is assumed that all new property growth will see the same percentage of single person discount applicable to them.

Council Tax Support Scheme

6. There are no changes to the council tax support scheme proposed for 2024/25. Notwithstanding this, there are fewer households eligible for council tax support which reflects a natural reduction in the cohort. A further reduction is assumed in the pensioner category for 2024/25 (-8%), which reflects the recent trend which has since October 2013. There has been a smaller decrease in the number of working age recipients eligible for CTSS with a reduction of 58 properties (-3%) assumed in 24/25. In total, the cost of the current scheme is expected to equate to 4,110 band D equivalents (7% of the gross tax base).

Empty Property Surcharge

7. The use of the empty property surcharge is principally borne out of the Council's desire to see a significant reduction in the stock of long-term empty properties,

which have implications for communities and restrict local housing supply. The consequence of the change is that a minimal amount of additional council tax will be collectable from a small cohort in the short-term, until property owners have taken the necessary action to reduce the current empty status.

8. A full review of properties eligible for the empty property premium has been conducted and households will be charged from 1st December 2023. As a result of this review, a total 214 properties will be charged the 100% premium as they have been empty for 2 years or longer (an increase from 51 properties in October 2023). Additionally, from April 2024 properties that have been empty for more than 12 months will also be charged the 100% premium. This change would see 393 properties reviewed for the additional charge although it is anticipated, based on previous reviews of empty properties, that 26% may not be eligible for the charge (e.g., because it's marketed for sale). All properties will be notified of this charge, in advance of the introduction in April 2024. For the tax base calculation, it is assumed that action will have been taken to reduce the number of these new category of empty properties by 50% by the end of 2025.
9. There are currently 51 properties which have now passed the threshold of being empty for longer than two years, 46 which have been empty for longer than 5 years and 15 properties which have been empty for more than 10 years. As such, these are now being charged the 100%, 200% & 300% surcharges with a clear pathway of further surcharge increases if action is not taken to resolve this. These numbers are significantly lower than previously anticipated suggesting the premium charges are resulting in more properties being returned to an occupied status specifically the number of properties being charged the 100% premium.
10. It is expected that the number of properties receiving surcharges will reduce during 2024/25. This is in line with the Council's desire to see a reduction in long-term empty properties and targeted additional action underway to support homeowners to help reduce the number of empty properties. A monitoring system is in place to identify properties eligible for surcharges to ensure surcharges are applied as the eligibility criteria is met.

Collection Rate

11. The collection rate is an estimate of how much is expected to be collected as a percentage of the amount that would have been collected if everyone liable had paid what they were supposed to. A long-term collection rate is set, but collection up to this level will take several years. For example, a collection rate of 98.1% was set for 2019/20 and at the end of that year 95.3% had been collected. This had increased to 98.0% by the end of September 2023, thereby almost reaching the assumed collection rate 3 and a half years after the financial year end (with the remaining amount anticipated over the coming months). While long term collection rates are being achieved the time taken to collect outstanding amounts has been increasing over time.
12. The Council Tax Base is based on a collection rate of 98% in 2024/25, which retains the same assumed rate for the third year in a row. While there remain risks for the

year ahead (e.g. ongoing uncertainty over Steel works in Scunthorpe) a 98% collection rate is considered to be achievable for 2024/25.

Summary

13. The Council tax base set out in this report represents an increase from the level that had previously been assumed in 2024/25 (51,662.4). This (in isolation) enables an increase in spending power over the 2024/27 medium term financial plan period. Proactive taxbase management will continue to be required in year so that the Council has early sight of progress against the targets set.

COUNCIL TAX BASE BY PARISH 2024/25

Appendix 3

Parish/Town or Area	Tax Base after discounts	Allowance for Non-Collection	MOD Properties	Tax Base 2024/25
Alkborough	169.10	(3.40)		165.70
Amcotts	81.70	(1.60)		80.10
Appleby	240.40	(4.80)		235.60
Ashby Parkland	240.80	(4.80)		236.00
Barnetby le Wold	585.30	(11.70)		573.60
Barrow on Humber	1,104.50	(22.10)		1,082.40
Barton on Humber	3,835.90	(76.70)		3,759.20
Belton	1,264.80	(25.30)		1,239.50
Bonby	201.20	(4.00)		197.20
Bottesford	3,707.50	(74.20)		3,633.30
Brigg	1,827.00	(36.50)		1,790.50
Broughton	1,747.20	(34.90)		1,712.30
Burringham	222.90	(4.50)		218.40
Burton Stather	988.80	(19.80)		969.00
Cadney cum Howsham	159.60	(3.20)		156.40
Crowle	1,674.60	(33.50)		1,641.10
East Butterwick	46.20	(0.90)		45.30
East Halton	211.70	(4.20)		207.50
Eastoft	150.60	(3.00)		147.60
Elsham	173.90	(3.50)		170.40
Epworth	1,630.90	(32.60)		1,598.30
Flixborough	546.90	(10.90)		536.00
Garthorpe & Fockerby	146.90	(2.90)		144.00
Goxhill	834.10	(16.70)		817.40
Gunness	656.70	(13.10)		643.60
Haxey	1,738.40	(34.80)		1,703.60
Hibaldstow	862.60	(17.30)		845.30
Horkstow	61.20	(1.20)		60.00
Keadby with Althorpe	520.20	(10.40)		509.80
Kirmington & Croxton	139.70	(2.80)		136.90
Kirton Lindsey	1,213.60	(24.30)	9.0	1,198.30
Luddington & Haldenby	127.90	(2.60)		125.30
Manton	44.40	(0.90)		43.50
Melton Ross	75.30	(1.50)		73.80
Messingham	1,354.00	(27.10)		1,326.90
New Holland	280.90	(5.60)		275.30
North Killingholme	94.40	(1.90)		92.50
Owston Ferry	476.40	(9.50)		466.90
Redbourne	165.10	(3.30)		161.80
Roxby cum Risby	157.70	(3.20)		154.50
Saxby all Saints	96.30	(1.90)		94.40
Scawby cum Sturton	850.60	(17.00)		833.60
Scunthorpe	17,372.60	(347.50)		17,025.10
South Ferriby	218.20	(4.40)		213.80
South Killingholme	319.40	(6.40)		313.00
Thornton Curtis	103.90	(2.10)		101.80
Ulceby	631.20	(12.60)		618.60
West Butterwick	293.40	(5.90)		287.50
West Halton	117.20	(2.30)		114.90
Whitton	85.70	(1.70)		84.00
Winteringham	347.30	(6.90)		340.40
Winterton	1,537.20	(30.70)		1,506.50
Wootton	203.30	(4.10)		199.20
Worlaby	211.40	(4.20)		207.20
Wrawby	535.30	(10.70)		524.60
Wroot	188.50	(3.80)		184.70
Tax Base 2024/25	52,872.50	(1,057.40)	9.0	51,824.10