

NORTH LINCOLNSHIRE COUNCIL

COUNCIL

CALCULATING THE COUNCIL TAX BASE FOR 2011/2012

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 tax setting purposes.
- 1.2 The key requirements of this report are as follows:
 - To set and notify the Council's tax base;
 - To consider the council tax collection rate;
 - To note the tax base for Formula Grant purposes; and
 - To calculate the local tax base for each parish and the total tax base for the authority of 51,590.9 as shown in Appendix B.
- 1.3 A key proposal is to increase the collection rate assumption from 98% to 99%. This helps the council's financial position at a time of reductions in central government support, and is justifiable based on current collection and write off levels.

2. BACKGROUND INFORMATION

- 2.1 North Lincolnshire Council is required to notify its tax base figures for the following financial year to the Humberside Police Authority, Humberside Fire Authority and its levying bodies (National Rivers Authority – Anglian, Severn Trent and the Port Health Authority) between 1 December and 31 January.
- 2.2 Parish and Town Councils also have a right to request in writing the tax base figure for their part of the area and for it to be provided by North Lincolnshire Council within ten working days.
- 2.3 North Lincolnshire Council will use the tax base to calculate its own council tax requirement for 2011/12. Humberside Police, Humberside Fire Authority and parish councils will use it to calculate the precept they require to fund their services.

- 2.4 North Lincolnshire is the billing authority for its area and therefore collects the precepts for Police, Fire and parishes. Council tax is pooled in a collection fund and then distributed to North Lincolnshire Council and the precepting bodies on the basis of their tax decisions.

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. Each billing authority is required to submit form CTB1 every October. For 2011/12 it will use the taxbase at October 2010, adjusted for student exemptions and increased by an estimate of the average annual increase in the taxbase for the authority between October 2008 and October 2010. This gives a band D equivalent taxbase of 51,996.
- 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.

Tax Base for setting Council Tax, Precepts and Levies

- 3.3 For setting the actual council tax in 2011/12 the council starts from the same point, the actual CTB1 figure for October 2010. The figure has been calculated as 51,826.3 see Appendix A. This is adjusted for each parish, or area to reflect estimated changes in the valuation list and levels of discounts/exemptions during the remainder of the year and in 2011/2012. The Council has taken into account legislation to reduce the discount level on second homes to a minimum 10% and remove completely the discount on long-term empty homes.
- 3.4 The resulting figures become the relevant amount for each band in each parish or area expressed as a Band D equivalent. The total Band D equivalent is 52,064.7.
- 3.5 An adjustment is then made for a non-collection allowance. Historically the council has assumed a collection rate of 98% and reduced the taxbase accordingly. When a surplus or deficit arises on the Collection Fund this is shared between the council and the major precepting authorities and applied in the following year as required by legislation. For 2011/12 it is proposed that the projected collection rate is increased to 99%.
- 3.6 A collection rate of 99% is in line with the ultimate expected collection rate; recognises that the average annual council tax write off of £250k has been less than 0.5% of council tax over the past 8 years; and that the Collection Fund has been in surplus for the past five years.
- 3.7 A final adjustment is made, equivalent to a number of band D dwellings, in respect of which the Secretary of State for Defence makes contributions in lieu of council tax for class O exempt dwellings in its area.

- 3.8 The result of these calculations is the Local Tax Base for each parish. These figures are shown for each parish in **Appendix B** and add up to show the total tax base for the whole authority for 2011/2012 to be **51,590.9**.
- 3.9 The tax base has fallen for several parishes. This is mainly due to the increase in exemptions and discounts rather than the reduction in the number of dwellings.

4. ANALYSIS OF OPTIONS

- 4.1 The Council, as a billing authority, must calculate a council tax base each year in accordance with council tax regulations.
- 4.2 There is discretion in estimating the council tax collection rate. The report proposes that this rate be increased from 98% to 99% in 2011/12. This will ensure that the benefit of a higher collection rate is applied in the year of collection rather than a year in arrears. This increases the tax base from 51,069.6 to 51,590.9.
- 4.3 There is also discretion in the level of discount awarded to long term empty and second homes which affects the council tax base. The tax base of 51,590.9 is calculated on the current practice of awarding the minimum 10 per cent discount on second homes and nil per cent on long term empty dwellings. This practice helps achieve policy objectives in keeping homes in occupation.
- 4.4 Awarding the maximum discount of 50 per cent on long term empty properties will reduce the tax base to 51,306.8. Awarding 50 per cent discount on second homes in addition will further reduce the tax base to 51,138.3. Based on the 2010/11 council tax levels, taken together this is the equivalent of a loss in income of £576,549.

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

- 5.1 Financial
The higher the local tax base, the more revenue is collected. The increase to a 99% collection rate allows an additional £664k to be taken to account in 2011/12 at the current council tax level.
- 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.

7. OUTCOMES OF CONSULTATION

7.1 No consultation is required.

8. RECOMMENDATIONS

8.1 That the resolution setting the tax base for 2011/2012 as set out in Appendix C is approved.

SERVICE DIRECTOR FINANCE

Pittwood House
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: Geoff Twidale/Peter Fijalkowski
Date: 24 December 2010

Background Papers used in the preparation of this report

Local Government Finance Act 1992

Local Government Finance Act 2003

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

Valuation Lists

APPENDIX A
TAX BASE FOR REVENUE SUPPORT GRANT PURPOSES (CTB1 2011/2012)

	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 13.10.10		34963	14450	10809	7106	3433	1363	462	25	72611
VALUATION ADJ		-5	0	-1	0	-1	0	0	0	-7
EXEMPT PROPERTIES		-1331	-383	-271	-134	-46	-26	-10	-3	-2204
LESS DISABLEDS		-98	-78	-101	-69	-54	-30	-30	-12	-472
PLUS DISABLEDS	98	78	101	69	54	30	30	12		472
SUB TOTAL	98	33607	14090	10505	6957	3362	1337	434	10	70400
25% SRD DISCOUNTS	-23	-14281	-4370	-2713	-1132	-468	-159	-38	-1	-23185
25% DISREGARD DISCOUNTS	-4	-224	-119	-83	-37	-12	-9	0	0	-488
50% 2ND HOME DISCOUNTS		-221	-102	-97	-50	-29	-12	-8	0	-519
50% DISREGARD DISCOUNTS	-6	-24	-20	-13	-15	-20	-24	-13	0	-135
NO DISCOUNTS	65	18857	9479	7599	5723	2833	1133	375	9	46073
TOTAL ADJUSTED	88.25	29858.25	12906.75	9751.00	6632.25	3217.50	1277.00	414.00	9.75	64155
RATIO	5	6	7	8	9	11	13	15	18	
BAND D EQUIVALENT	49.0	19905.5	10038.6	8667.6	6632.3	3932.5	1844.6	690.0	19.5	51779.6

MINISTRY OF DEFENCE CONTRIBUTION 46.7
TOTAL TAXBASE FOR RSG PURPOSES 51826.3

TAX BASE(Whole/Part Areas)				APPENDIX B		
LOCAL TAX BASE						
Parish or Area	Band D equivalent	Reduction 1% non collection	MOD Contribution	Local Tax Base	Last year	% change
Alkborough	168.6	1.7		166.9	161.9	3.10
Amcotts	82.9	0.8		82.1	80.3	2.21
Appleby	233.9	2.3		231.6	233.2	-0.70
Ashby Parkland	228.7	2.3		226.4	223.5	1.30
Barnetby-le-Wold	552.9	5.5		547.4	549.0	-0.30
Barrow-on-Humber	1048.5	10.5		1038.0	1008.5	2.93
Barton-upon-Humber	3523.1	35.2		3487.9	3397.6	2.66
Belton	1149.2	11.5		1137.7	1122.6	1.35
Bonby	198.0	2.0		196.0	191.8	2.20
Bottesford	3812.1	38.1		3774.0	3750.3	0.63
Brigg	1760.7	17.6		1743.1	1753.0	-0.57
Broughton	1796.6	18.0		1778.6	1755.5	1.32
Burringham	239.0	2.4		236.6	231.5	2.21
Burton-upon-Stather	1013.0	10.1		1002.9	991.3	1.17
Cadney-cum-Howsham	163.0	1.6		161.4	155.9	3.51
Crowle	1607.8	16.1		1591.7	1565.6	1.67
East Butterwick	49.3	0.5		48.8	48.5	0.63
East Halton	219.6	2.2		217.4	213.5	1.83
Eastoft	151.7	1.5		150.2	149.8	0.26
Elsham	166.7	1.7		165.0	166.0	-0.58
Epworth	1567.9	15.7		1552.2	1517.1	2.32
Flixborough	547.7	5.5		542.2	529.5	2.40
Garthorpe & Fockerby	145.5	1.5		144.0	145.4	-0.93
Goxhill	815.0	8.2		806.8	800.1	0.84
Gunness	734.0	7.3		726.7	718.5	1.14
Haxey	1731.2	17.3		1713.9	1693.8	1.19
Hibaldstow	821.8	8.2		813.6	802.1	1.43
Holme	41.6	0.4		41.2	39.7	3.74
Horkstow	53.3	0.5		52.8	49.4	6.82
Keadby with Althorpe	552.8	5.5		547.3	537.4	1.84
Kirmington & Croxton	140.4	1.4		139.0	138.3	0.50
Kirton-in-Lindsey	1009.2	10.1	46.7	1045.8	1022.0	2.33
Luddington	127.8	1.3		126.5	126.0	0.41
Manton	43.0	0.4		42.6	39.7	7.23
Melton Ross	73.2	0.7		72.5	70.7	2.50
Messingham	1354.9	13.5		1341.4	1335.5	0.44
New Holland	289.6	2.9		286.7	283.5	1.13
North Killingholme	91.1	0.9		90.2	90.6	-0.45
Owston Ferry	449.1	4.5		444.6	439.6	1.14
Redbourne	166.2	1.7		164.5	154.8	6.29
Roxby-cum-Risby	162.4	1.6		160.8	160.0	0.48
Saxby-all-Saints	92.7	0.9		91.8	92.4	-0.68
Scawby-cum-Sturton	845.7	8.5		837.2	823.8	1.63
Scunthorpe	17394.9	173.9		17221.0	16925.8	1.74
South Ferriby	221.2	2.2		219.0	216.6	1.10
South Killingholme	332.6	3.3		329.3	320.2	2.83
Thornton Curtis	105.1	1.1		104.0	101.4	2.61
Ulceby	578.5	5.8		572.7	561.8	1.94
West Butterwick	267.2	2.7		264.5	260.7	1.47
West Halton	119.9	1.2		118.7	119.9	-1.00
Whitton	87.0	0.9		86.1	83.8	2.78
Winteringham	349.2	3.5		345.7	337.9	2.31
Winterton	1483.4	14.8		1468.6	1458.5	0.69
Wootton	184.8	1.8		183.0	178.1	2.72
Worlaby	206.5	2.1		204.4	203.1	0.66
Wrawby	530.0	5.3		524.7	515.6	1.76
Wroot	183.0	1.8		181.2	175.1	3.47
Whole Area	52064.7	520.5	46.7	51590.9	50817.7	1.52

Appendix C

RESOLUTION FOR CALCULATING THE COUNCIL TAX BASE

Resolved

1. That the report of the Service Director Finance for the calculation of the Council's tax base for the year 2011/2012 be approved.
2. That pursuant to the Service Director Finances' report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by North Lincolnshire Council as its tax base for the whole area for the year 2011/12 shall be 51,590.9 and for the parts of the area listed below for the year 2011/2012 shall be for the

Parish or area of:

Alkborough	166.9
Amcotts	82.1
Appleby	231.6
Ashby Parkland	226.4
Barnetby-le-Wold	547.4
Barrow-on-Humber	1038.0
Barton-upon-Humber	3487.9
Belton	1137.7
Bonby	196.0
Bottesford	3774.0
Brigg	1743.1
Broughton	1778.6
Burringham	236.6
Burton-upon-Stather	1002.9
Cadney-cum-Howsham	161.4
Crowle	1591.7
East Butterwick	48.8
East Halton	217.4
Eastoft	150.2
Elsham	165.0
Epworth	1552.2
Flixborough	542.2
Garthorpe & Fockerby	144.0
Goxhill	806.8
Gunness	726.7
Haxey	1713.9
Hibaldstow	813.6

Holme	41.2
Horkstow	52.8
Keadby with Althorpe	547.3
Kirmington & Croxton	139.0
Kirton-in-Lindsey	1045.8
Luddington	126.5
Manton	42.6
Melton Ross	72.5
Messingham	1341.4
New Holland	286.7
North Killingholme	90.2
Owston Ferry	444.6
Redbourne	164.5
Roxby-cum-Risby	160.8
Saxby-all-Saints	91.8
Scawby-cum-Sturton	837.2
Scunthorpe	17221.0
South Ferriby	219.0
South Killingholme	329.3
Thornton Curtis	104.0
Ulceby	572.7
West Butterwick	264.5
West Halton	118.7
Whitton	86.1
Winteringham	345.7
Winterton	1468.6
Wootton	183.0
Worlaby	204.4
Wrawby	524.7
Wroot	181.2